



CITY COUNCIL MEETING*

March 19, 2024 – Agenda

City Hall, 920 SE Cedar Falls Way, North Bend, Washington

7:00 P.M. – CALL TO ORDER, ROLL CALL, FLAG SALUTE

CONSENT AGENDA:

		Pg.#
1) Minutes	City Council Workstudy of February 27, 2024	1
2) Payroll	March 5, 2024 – 28781 through 28786 , in the amount of \$353,771.98	
3) Checks	March 19, 2024 – 75309 through 75378 , in the amount of \$917,284.95	
4) AB24-030	Motion – Authorizing Collective Bargaining Agreement for Public Works Employees	Mr. Miller 3

CITIZEN’S COMMENTS: (Please restrict comments to 3 minutes)

ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:

5) Presentation	Recent Power Outage Updates	Mr. Larson, PSE Local Government Affairs
6) Presentation	North Bend Downtown Foundation Update	Ms. Self, Executive Director
7) Presentation	State of the City Address	Mayor Miller

COMMISSION AND COMMITTEE REPORTS:

Planning Commission	Community & Economic Development – Councilmember Joselyn
Parks Commission	Finance & Administration – Councilmember Elwood
Economic Development Commission	Public Health & Safety – Councilmember Rustik
Regional Committees	Transportation & Public Works – Councilmember Koellen
	Mayor Pro Tem – Councilmember Gothelf
	Eastside Fire & Rescue Board – Councilmember Gothelf

INTRODUCTIONS:

8) AB24-031	Motion – Authorizing Contract with FCS Group for Impact Fee Study	Ms. Deming	35
9) AB24-032	Motion – Authorizing Middle Housing Grant Agreement with WA State Department of Commerce	Ms. Deming	55

MAYOR, COUNCIL & ADMINISTRATOR CONCERNS AND INITIATIVES: (Business and general information presented that may be deliberated upon by the Council. Formal action may be deferred until a subsequent meeting; immediate action may be taken upon a vote of a majority of all members of the Council.)

ADJOURNMENT:



***PLEASE NOTE:** Members of the public may choose to attend the meeting in person or by teleconference. Members of the public attending the meeting in-person will have an opportunity to provide public comment and if attending the meeting by teleconference may submit written comments via in-person drop off, mail, fax, or e-mail to soppedal@northbendwa.gov. All written comments must be received by 5 p.m. on the day of the scheduled meeting. If an individual requires an accommodation because of a difficulty attending the public meeting, the City requests notice of the need for accommodation by 5 p.m. on the day of the scheduled meeting. Participants can request an accommodation to be able to provide remote public comments by contacting the City Clerk by phone (425) 888-7627 or by e-mail to soppedal@northbendwa.gov. No other remote public comment will be permitted.

Those wishing to access the meeting by teleconference will be required to have a registered Zoom account and display your full name to be admitted to the online meeting.

Zoom Meeting Information:

To Sign Up for a Zoom Account: <https://zoom.us/join>

Meeting ID: 881 2610 1456

Password: 658184

Call In Phone Number: 1-253-215-8782

CITY OF NORTH BEND
CITY COUNCIL WORKSTUDY NOTES
February 27, 2024
City Hall, 920 SE Cedar Falls Way, North Bend, WA

Mayor Pro Tem Gothelf called the meeting to order at 7:00 p.m.

Councilmembers Brenden Elwood, Alan Gothelf, Mark Joselyn, Heather Koellen, Christina Rustik, Suzan Torguson and Errol Tremolada were present.

Staff Present: Mayor Mary Miller, Deputy City Administrator/Public Works Director Mark Rigos, Community & Economic Development Director Rebecca Deming, Administrative Services Director Lisa Escobar, Economic Development Manager James Henderson, Human Resource Manager Erin Mitchell, Deputy City Clerk Jennifer Bourlin and IT Manager Phil Davenport (remote).

Guests Present: Todd Chase, Martin Chaw and Devin Tryon from FCS Group.

Fiscal Sustainability Study Presentation Session #1

Economic Development Manager Henderson explained the purpose of this study was to:

- Understand the current fiscal health of the City
- Study two different growth scenarios to determine how growth will affect the fiscal health of the City
- Look at how these scenarios will affect revenue and current obligations that the City has to pay
- This was the first of four workstudies to a path forward for fiscal sustainability that would support the City's vibrancy and make it an attractive place for residents and businesses

Todd Chase of FCS Group opened the presentation by explaining the purpose of a Fiscal Sustainability Study and that tonight's Session #1 would focus on the City's General Fund and Utility Funds financial scenarios. This session and discussion focused on baseline General Fund financial scenarios (no growth vs. target) in the following funds:

- General Fund (#001)
- Water Utility (#401)
- Sewer Utility (#402)
- Stormwater Utility (#404)
- Sanitation Utility (#405)

Future sessions would cover:

- Development Opportunities and Costs of Growth
- Fiscal and Economic Impact Analysis
- Supplemental Funding Options
- Fiscal Sustainability Strategy

Martin Chaw of FCS Group continued the presentation of the Fiscal Sustainability Study and covered the following:

- General methodology covering forecasted revenues and expenses, assumptions and objectives
- Findings and conclusions in the no growth scenario including no or limited growth results and financial policy considerations
- Sources of revenue for the General Fund
- Sources of revenue in the General Fund 2024 budget of \$11.0 million dollars – approximately 80% was from the following five sources: property taxes, sales taxes, B&O taxes, utility tax and development fees
- Future considerations of funding options from those five sources
- Municipal revenues as a tool box including authority to create new taxes vested in the State Legislature, established limitations and exposure to economic and other external risks
- Baseline financial forecast based on a no growth scenario
- Mr. Chaw discussed utility funds that included:
 - The critical need for human, health and safety
 - Supporting economic development
 - Enterprise funds
 - The majority of revenues were derived from rate revenues
- The study approach for utilities included forecasted revenues and expenses, assumptions and objectives followed by Utility Fund scenarios
- Findings and conclusions of the Utility Funds included:
 - Revenue from current rates (no rate increases assumed) was not sufficient to keep pace with increasing cost of operations
 - Breakeven rate increases range from 10-30%
 - Continued cost pressures on utility operating costs included:
 - Inflation, aging infrastructure, replacement of AC pipes
 - Interfund administrative charges
 - Increased costs from Seattle Public Utilities water purchase mitigation payments (water)
 - New debt service from WWTP (sewer)
 - Meeting mandated grant matching requirements

Police Services Discussion

Mayor Pro Tem Gothelf discussed the police services contract obligations, extending the current contract, expectations of a future contract and an analysis of alternatives.

Adjournment

The Workstudy closed at 9:00 p.m.

ATTEST:

Alan Gothelf, Mayor Pro Tem
Workstudy Notes – February 27, 2024

Jennifer Bourlin, Deputy City Clerk



City Council Agenda Bill

SUBJECT:		Agenda Date: March 19, 2024		AB24-030
Motion Authorizing the Mayor to Execute a Collective Bargaining Agreement with Teamsters Local 763 Covering Public Works Employees	<p>Cost Impact: Wage Market Adjustments over 3 years: This CBA incorporates a 4.5% cost-of-living adjustment (COLA) into the 2024 wage schedule and proposes a COLA equal to the June to June percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the Seattle-Tacoma-Bellevue, WA metropolitan area with a minimum of 1% and a maximum of 5% for 2025 and 2026 respectively annual salary raises over 3 years (less medical insurance cost savings from exclusion of spouses) The approval of this CBA would move the wage schedule from less than the 50th percentile of comparable cities to the mid-point of comparable cities. The estimated financial impact to the City of North Bend is \$328,000 more than what has been budgeted in 2024 spread across various funds. For 2025 and 2026, the predicted financial impact is between \$347,000 and \$362,000 above what has been forecasted.</p>	Department/Committee/Individual		
		Mayor Mary Miller		
		City Administrator – David Miller		
		City Attorney – Kendra Rosenberg		
		City Clerk – Susie Oppedal		
		Administrative Services – Lisa Escobar		X
		Comm. & Economic Development – Rebecca Deming		
		Finance – Martin Chaw		
Fund Source: N/A		Public Works – Mark Rigos		
Timeline: Immediate				
Attachments: Collective Bargaining Agreement				
<p>SUMMARY STATEMENT:</p> <p>The City’s existing Collective Bargaining Agreement (CBA) with Teamsters Local 763 covering the City’s Public Works employees expired on December 31, 2023. This CBA controls wages and some working conditions involving 17 regular City employees in the area of Public Works. The City has been in negotiations with Teamsters Local 763 on a replacement agreement for approximately eight months. The parties at the negotiating table have reached consensus on an agreement to recommend to both the City Council and the membership of this bargaining unit.</p> <p>The parties again engaged in “interest-based bargaining” which allowed them to focus on common interests. The City had the following interests:</p> <ul style="list-style-type: none"> • <u>City’s Ability to Pay</u>: Ability to afford any wage/benefit increase and have a long term sustainable overall City budget. • <u>Continue Shared Premium Payments Between Employer & Employee</u>: Have employees who are personally invested in controlling medical costs by sharing in premium payments. • <u>Flexible Spending Accounts</u>: Respond to employee requests for a Flexible Spending Account funded by the employee with administrative costs covered by the City. 				

City Council Agenda Bill

- Market-Based Compensation Adjustments: The City's interest is to pay at mid-point of the market and to have wage ranges that accurately reflect fair compensation for each job, as well as to make efforts to keep pace with City market competitors over the term of the contract.
- Avoid Costly Turn-over in Employees, Maintain Positive Employee Morale & Recruit Excellent New Employees: Retain and recruit qualified City employee candidates and maintain positive employee morale. Satisfied employees generally perform better than unsatisfied employees and a positive work environment assists with employee recruitment and retention.

Staff believes the attached CBA achieves the foregoing objectives and City interest by containing the following provisions:

- Term: The CBA provides a three-year term commencing on January 1st, 2024 and terminating on December 31st, 2026. This term is beneficial to the City and preferable to a one or two-year term because of the Staff time required to renegotiate a CBA.
- Wages: Appendix "A" to the CBA provides wage increases based upon market conditions which have been unprecedented lately. Based on continued salary and benefits analysis, employee ranges were placed at mid-point of the market for comparable cities. This serves the City's interest of having competitive salaries so it can recruit and retain highly qualified staff.
- Deferred Compensation Match: Many of the City's comparable cities increased their deferred compensation match for participating employees. Article 10 provides a one for one basis match for every dollar up to \$200 per month that employees contribute to a City-sponsored deferred compensation plan which aligns with comparable cities.

Many of the employees within this bargaining unit perform work for the City's sewer, water, and street utilities. Accordingly, approximately 86% of the contract costs are paid by such utilities, street operations and equipment operating funds and the remaining approximately 14% is paid from the General Fund.

The City's negotiating team consisted of Lisa Escobar, Administrative Services Director; Mark Rigos, Deputy City Administrator and Director of Public Works; and Erin Mitchell, HR Manager/EM Coordinator. The Union's negotiating team consisted of Mary Keefe, Teams Business Partner; Jason Baxter – Streets Lead; Jake Thompson; Water Lead and Tom Glenn, WWTP Operator. All parties of the negotiating team recommend the attached CBA.

The members of the Collective Bargaining Unit ratified the attached agreement on March 1, 2024.

APPLICABLE BRAND GUIDELINES: Consistent delivery of quality basic services

RECOMMENDED ACTION: This item was reviewed by the entire City Council in closed session pursuant to RCW 42.30.140(4)(a) on March 5, 2024 to discuss labor negotiations. It was recommended this item move forward for consideration on the Consent Agenda at the March 19, 2024 meeting.

RECOMMENDED ACTION: **MOTION to approve AB24-030, authorizing the Mayor to enter into a Collective Bargaining Agreement with Teamsters Local 763 covering Public Works Employees.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
March 19, 2024		

AGREEMENT
by and between
CITY OF NORTH BEND, WASHINGTON
and
PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763
(Representing the Public Works Employees)

January 01, ~~2021~~2024 through December 31, ~~2023~~2026

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AGREEMENT

by and between

CITY OF NORTH BEND, WASHINGTON

and

PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS

LOCAL UNION NO. 763

(Representing the Public Works Employees)

January 01, ~~2021~~2024 through December 31, ~~2023~~2026

THIS AGREEMENT is by and between the CITY OF NORTH BEND, WASHINGTON, hereinafter referred to as the Employer, and PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the Union.

ARTICLE I RECOGNITION, UNION MEMBERSHIP AND PAYROLL DEDUCTION

1.1 Recognition - The Employer recognizes the Union as the sole and exclusive collective bargaining representative for all employees of the Employer performing work within the Public Works Department, excluding temporary employees and seasonal/casual employees working less than one-sixth time (347 hours) of a regular, full time employee(s) and the classifications of Public Works Director, Deputy Public Works Director, City Engineer, Public Works Supervisor, Public Works Project Manager, Wastewater Treatment Plant Manager, SCADA Supervisor, and Public Works Office Coordinator. The Public Works Office Coordinator is however, covered by another Teamster Collective Bargaining Agreement. The Public Works Director and Supervisor may assist bargaining unit employees in performing bargaining unit work during regular working hours and in emergency situations; provided however, the Director and Supervisor shall not be utilized for callback and non-emergency duties when bargaining unit employees are available to perform such duties. The Wastewater Treatment Plant Manager may assist the bargaining unit employees in performing bargaining unit work during emergency situations. Emergency situations for purposes of this agreement shall include a natural disaster, act of violence, or an occurrence, event or situation which causes or has the immediate potential for causing death or serious injury to persons or destruction or significant damage to property or the physical environment to such an extent that actions should be taken to ensure the public safety and welfare or protect property or the physical environment.

1.1.1 A seasonal/casual employee shall not be employed more than four (4) consecutive months. A temporary employee working in relief of a regular employee on leave (i.e.: personal or medical leave) may, at the discretion of the City fill the position for the duration of the employee's leave. The Employer shall not employ more than four (4) seasonal/casual and temporary employees at any one time. Seasonal/casual temporary employees shall not be utilized for callbacks, weekend work or overtime except in emergency situations when bargaining unit employees are not available. The City may utilize temporary employees and seasonal/casual employees to supplement, not supplant, the regular employee workforce.

a) A regular full time employee is one who is regularly scheduled to work thirty-six (36) to forty (40) or more hours per week.

- b) A temporary employee shall be defined as an employee hired to work during any period when additional work requires temporary employees to assist the current work force, to fill in for the absence of a regular employee or to fill a vacancy in a regular position until a regular employee is appointed.
- c) A seasonal/casual employee shall be defined as an employee hired to work from March 1st through October 31st of a calendar year and for not more than four (4) consecutive months. The seasonal/casual employee shall be utilized as laborers supporting the regular full time and temporary employee(s).

~~1.1.2 Those temporary and seasonal/casual employees shall pay a monthly service fee equal to the monthly Union dues, for those months worked, in lieu of joining the Union, while performing bargaining unit work.~~

1.2 Payroll Deduction - The Employer shall make deductions for Union dues, initiation fees, and/or agency fees from the wages of all employees covered by this Agreement who execute a properly written authorization to the Employer demonstrating the employee has affirmatively consented to the deduction of such dues/fees. The Union shall provide the Employer the signed authorization prior to the commencement of the deductions. Such deductions shall be remitted to the Union on a monthly basis.

The Employer will stop or revise deducting such dues/fees from employees who revoke or revise consent or other written direction regarding payroll deductions to the Employer. The Employer will promptly provide the Union a copy of the written revocation or change in deductions relating to union dues or fees. The Union shall defend, indemnify and hold the Employer harmless against any and all liability resulting from the dues and/or fee deduction system.

1.2.1 DRIVE – The Employer agrees to deduct from the paycheck of all employees covered by this Agreement who choose to make voluntary contributions to Democrat, Republican, Independent Voter Education (DRIVE). DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from the employee's paycheck on a per pay period basis, for all pay periods worked. The phrase "pay periods worked" for purposes of this provision shall include any pay period in which the employee earned a wage, provided it will not create negative net pay to the employee. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one check, the total amount deducted along with the name of each employee on whose behalf a deduction is made. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the payroll deduction plan. The Union shall indemnify, defend and save the Employer harmless from any claims, suits, judgments, attachments, and from any form of liability as a result of making any deductions pursuant to this provision.

- 1.3 Union Notification - Within seven (7) days from the date of hire of a new employee, or a change in classification the Employer shall forward to the Union the name, address, telephone and Social Security number, classification and rate of pay of the new employee. The Employer shall promptly notify the Union of all employees leaving its employment.

ARTICLE II UNION RIGHTS

- 2.1 Discrimination - The Employer shall not interfere with the rights of employees to become members of the Union and there shall be no discrimination, interference, restraint, or coercion by the Employer or any Employer representative against any employee because of Union membership or because of any employee activity in an official capacity on behalf of the Union.
- 2.2 Union Investigation - Authorized Union representatives shall have access to the Employer's establishment during working hours for the purpose of investigating working conditions and ascertaining that the provisions of this Agreement are being adhered to; provided however, the right to access shall be exercised reasonably so that there shall be no interruption of the Employer's working schedule. Union representatives shall be permitted to inspect records in the possession of the Employer that are relevant to the employment of any bargaining unit employee, provided the records are those to which the employee would have the right to access. The Union representative shall request the records in advance so as to accommodate the work schedule of Employer personnel. Said right to inspect shall be exercised reasonably.
- 2.3 Shop Steward - A Union Shop Steward may be appointed for the bargaining unit. The Steward shall be a regular employee and shall perform his/her regular duties as such but shall function as representative on the job solely to inform the Union of any alleged violations of this Agreement, assist in processing of grievances relating thereto, and participate in negotiations. The Steward shall be allowed reasonable time, at the discretion of the Employer, to assist in processing contract grievances during regular working hours. Employees shall not use working hours for the conduct of Union business or the promotion of Union affairs other than stated above.
- 2.4 Bulletin Boards - The Employer shall provide suitable space for a bulletin board at each location. Postings by the Union on such boards shall be confined to official business of the Union.

ARTICLE III PROBATION PERIOD, LAYOFF, RECALL AND JOB VACANCIES

- 3.1 Probation Period - A new employee shall be subject to a six (6) month probation period, commencing with his/her most recent first date of hire. During this period, such employee shall be considered as being on trial, subject to immediate dismissal at any time at the sole discretion of the Employer; provided however, the Employer shall not discharge or otherwise discipline an employee for protected Union activity. Discharge of an employee during his probation period shall not be subject to the grievance procedure.

- 3.2 Seniority - An employee's seniority shall be defined as that period from the employee's most recent first day of compensated work within the bargaining unit.
- 3.2.1 An employee's seniority shall be broken so that no prior period of employment shall be counted and his/her seniority shall cease upon:
- Justifiable discharge;
 - Voluntary quit;
 - Failure of the employee to return to work after expiration of a temporary disability leave or leave of absence;
 - Leaving the bargaining unit to accept a position with the Employer outside of the bargaining unit;
 - Failure of employee to notify the Employer of his willingness to return to work upon recall from an indefinite layoff within seven (7) calendar days after receipt of written notice from the Employer at his/her last known address appearing on the Employer's records;
 - Layoff (a reduction in the work force caused by budgetary constraints) exceeding twelve (12) months;
 - Leave of absence exceeding twelve (12) months.
- 3.2.2 In layoff, recall and filling permanent job vacancies, the Employer shall give consideration to an employee's length of continuous service with the Employer and his/her ability to perform the duties required in the job. In applying this provision, it is the intent to provide qualified employees with opportunities for promotion and the Employer with efficient operations.
- 3.2.3 On July 1st of each year, the Employer shall provide the Union with a seniority list showing the name of each employee within the bargaining unit, their present classification, their date of hire and their present rate of pay. A copy of such list shall be posted on the Union bulletin board.
- 3.3 Layoff - In case of a layoff, the employee with the shortest length of continuous service shall be laid off first, provided the Employer may layoff by classification rather than seniority if the employee with greater seniority is not qualified to perform the duties of the employee with less seniority. The Employer shall provide an employee with two (2) weeks advance notification prior to layoff.
- 3.4 Recall - In the case of recall, those employees laid off last shall be recalled first. An employee on layoff must keep both the Employer and the Union informed of the address and telephone number where he/she can be contacted.

- 3.4.1 When the Employer is unable to contact any employee who is on layoff for recall, the Union shall be so notified. If neither the Union nor the Employer are able to contact the employee within seven (7) calendar days from the time the Union is notified, the Employer's obligation to recall the employee shall cease. The Employer shall have no obligation to recall an employee after he/she has been on continuous layoff for a period of one (1) year. Should an employee not return to work when recalled, the Employer shall have no further obligation to recall him/her.
- 3.5 Job Vacancies - New positions and positions which become vacant within the bargaining unit shall be posted for bid on the bulletin board for seven (7) calendar days, during which time employees who have completed their probation period may designate their preference for the position. Posted job bids shall contain an adequate description of the job duties, the rate of pay and the starting time for the position. An employee's eligibility for positions posted to bid shall require the employee to be qualified to perform the duties of the posted position. The Employer may hire from other sources after giving first consideration to present employees.

ARTICLE IV HOURS OF WORK, OVERTIME AND PREMIUM PAY

- 4.1 Hours of Work - The normal workweek shall be five (5) consecutive days of eight (8) consecutive hours of work, excluding the meal period, beginning at 8:00 A.M. and ending at 4:30 P.M., scheduled Monday through Friday, Tuesday through Saturday or Sunday thru Thursday, other than the traditional Monday through Friday, provided that the workweek may only contain a Saturday or a Sunday, however a Saturday and Sunday may be included if mutually agreed between the employee and the City for regular full-time employees. Except for the Wastewater Treatment Plant Operator, during the summer months, the normal workday hours shall be from 7:00 A.M. to 3:30 P.M.
- 4.1.1 The workweek hours of work may be changed from the specified hours of Section 4.1, when the schedule change is provided at least five (5) work days in advance. A 4/10 shift (four (4) consecutive days per week, working ten (10) consecutive hours) is an example of an alternate workweek. Other examples may include a 9/80 (8/9 and 1/8) per two week period. These alternate work weeks are on a Monday through Friday basis.
- 4.1.2 Each employee shall be assigned to a regular starting time, and the starting and ending times on any day shall not be changed without twelve (12) hours written notice. In the event an employee's regular starting time is changed without twelve (12) hours written notice, he/she shall be paid in accordance with the provisions of Section 4.4. Modifications under this provision shall be made entirely within the scheduled work hours for the applicable day.
- 4.1.3 Rest Periods - Employees shall receive a rest period of fifteen (15) minutes on the Employer's time for each four (4) hours of working time. Rest periods shall be scheduled as near as possible to the midpoint of each four (4) hour work period. No employee shall be required to work more than three (3) hours without a rest period.

4.1.4 Meal Periods - Employees shall receive an uninterrupted meal period of thirty (30) minutes which shall be on the employee's own time and which shall commence no less than three (3) nor more than five (5) hours from the beginning of the shift.

4.2 Callback - An employee who has left work and is called back to work after completion of his/her regular days shift shall be paid a minimum of two (2) hours at ~~one and one-half (1-1/2)~~ two (2) times his/her regular straight-time hourly rate of pay. ~~However, if the employee's regular shift starts less than three (3) hours from the time he/she started work on the callback, he/she shall receive one and one-half (1-1/2) times his/her regular straight-time hourly rate of pay only for such time as occurs before his/her regular shift. However, if the employee's regular shift starts less than two (2) hours from the time he/she started work on the callback, he/she shall receive two (2) times the regular straight-time hourly rate of pay for unscheduled/emergent work.~~

4.3 Standby – Standby shall rotate on a weekly basis, beginning at the start of the employee's shift on Monday and continuing for one complete week to the start of their shift on the following Monday. Only employees who are qualified to perform the duties of standby, and who have expressed a desire to serve, shall be included in the rotation. It is the City's responsibility to determine qualified employees.

An Employee in the standby rotation may only elect not to serve their rotation if agreement is reached with another employee in the rotation to fill-in, unless an emergency exists. The Public Works Director, or designee, shall settle emergency situations and disputes. A yearly rotation schedule shall be posted at all times.

Employees on standby shall be required to perform "Weekend Plant Checks" and shall be required to carry a City pager. Employees must be available to respond to a page for service by maintaining the ability to arrive at any site within the City in no more than ~~30-Forty-five (45)~~ minutes from when the page is first received.

Standby pay shall be ~~three hundred and fifty dollars (\$350.00)~~ eight hundred and fifty dollars (\$850.00) per week plus two (2) hours pay at time and one-half (1-1/2) on Saturday and two (2) hours pay at time and one-half (1-1/2) on Sunday for the standby employee to perform Plant Checks, provided, however, no overtime shall be paid for Plant Checks if the City has other staff working on the weekend performing those duties. The employee has the option to be paid for this time or to have the four (4) hours converted and banked as comp time hours. Time required over the two (2) hours per day for Weekend Plant Checks must be approved by the Public Works Director or designee, unless an immediate emergency situation exists. It shall be the City's responsibility to educate the standby employee as to what constitutes an emergency situation.

To ensure compliance with the City's NPDES minimum permit qualifications, there will be a second employee on standby each week who shall be a qualified Wastewater Treatment Plant Operator. It is the City's responsibility to determine qualified employees for this second standby position.

The WWTP Operator on standby shall be required to perform "Weekend Plant Checks" related to sewer facilities and shall be required to carry a City pager.

Employees must be available to respond to a page for service by maintaining the ability to arrive at any site within the City in no more than ~~30~~ forty-five (45) minutes from when the page is first received.

Standby pay shall be ~~three hundred and fifty dollars (\$350.00)~~ eight hundred and fifty dollars (\$850.00) per week plus two (2) hours pay at time and one-half (1-1/2) on Saturday and two (2) hours pay at time and one-half (1-1/2) on Sunday for the WWTP standby employee to perform Plant Checks, provided, however, no overtime shall be paid for Plant Checks if the City has other staff working on the weekend performing those duties. The employee has the option to be paid for this time or to have the four (4) hours converted and banked as comp time hours. Time required over the two (2) hours per day for Weekend Plant Checks must be approved by the Public Works Director or designee, unless an immediate emergency situation exists. It shall be the City's responsibility to educate the standby employee as to what constitutes an emergency situation.

4.4 Overtime - For an eight (8) hour a day workweek schedule, all time worked in excess of ten (10) hours in a day and for alternative scheduled workweeks, all time worked in excess of the scheduled day, or for all time worked in excess of forty (40) hours in any one (1) week shall be compensated at the rate of one and one-half (1-1/2) times the employee's regular straight-time hourly rate of pay for work scheduled at least one week in advance. Overtime schedule less than one week (seven (7) days) in advance will be considered unscheduled and emergent and will be paid at the rate of two (2) times the regular straight-time hourly rate of pay. Overtime shall be offered to full time employees first.

4.4.1 Time worked shall be paid in increments of fifteen (15) minutes for all time worked within the fifteen (15) minutes.

4.4.2 Approved vacation time off, holidays, call-out guarantees shall be considered as time worked. Compensatory time off shall not be considered time worked for the purposes of this Article. Sick time off shall be considered as time worked but the employee will not be eligible for overtime if the sick leave is within the same work day (twenty-four (24) hour period from 12:00 AM to 11:59 PM).

4.4.2.1 Notwithstanding Sections 4.4.2, any time worked that is required by the Employer outside of the employee's regular scheduled work time, shall be considered time worked for the purposes of overtime payment.

4.5 Work in Higher Classification – Whenever an employee is assigned by the Public Works Director or designee to perform a substantial amount of the duties and accept a substantial amount of the responsibilities of a higher paid classification for a period in excess of three (3) consecutive working days, the employee shall be paid at a rate equal to one hundred four point five percent (104.5%) of the employee's base wage while performing such duties and accepting such responsibility retroactive back to the first day of being assigned such duties. The base wage rate(s) exclude premium pay or stipends (i.e. longevity, certifications, etc.).

- 4.6 Compensatory Time - In lieu of paid overtime, compensatory time-off may be utilized upon the request of the employee, subject to scheduling by the Public Works Director or designee, and shall be taken at the rate of one and one-half (1-1/2) times the actual time worked. Compensatory time-off may be accrued to a maximum of eighty (80) hours. An employee called back to work from a scheduled compensatory time-off day for three (3) hours or less shall be compensated in accordance with Section 4.2, in addition to the employee's eight (8) hours scheduled compensatory time. An employee called back to work from a scheduled compensatory time-off day for more than three (3) hours shall be paid his/her regular straight-time hourly rate of pay for all hours worked and in addition shall receive four (4) hours compensatory time as well as the rescheduling of his/her eight (8) hours compensatory time.
- 4.7 It is the Employer's intent to attempt to allocate overtime among the bargaining unit on an equitable basis in order to maintain the City's responsibilities, and the Employer agrees to meet with the Union periodically to evaluate the process.

ARTICLE V WAGES

- 5.1 The classifications of work, monthly rates of pay, and job descriptions for employees covered by this Agreement shall be as set forth within Appendices "A" and "B" to this Agreement which by this reference shall be incorporated herein as if set forth in full. Any new classifications shall be negotiated between the Employer and the Union.

ARTICLE VI HOLIDAYS

- 6.1 Regular full-time employees shall receive the following holidays off with eight (8) hours compensation at their regular straight-time hourly rate of pay:

New Year's Day	January 1st
Martin Luther King, Jr.'s Birthday	3rd Monday of January
President's Day	3rd Monday of February
Memorial Day	Last Monday of May
<u>Juneteenth</u>	<u>June 19</u>
Independence Day	July 4th
Labor Day	1st Monday of September
Veteran's Day	November 11th
Thanksgiving Day	4th Thursday of November
Day Following Thanksgiving Day	4th Friday of November
Christmas Eve	December 24th
Christmas Day	December 25th
Floating Holiday	At employee's discretion with prior notice and approval of the Employer

- 6.2 If a holiday occurs while an employee is on vacation or sick leave, the holiday shall not be charged to such vacation or sick leave.
- 6.3 If the date of any of the afore-referenced holidays should be changed, the new date shall be deemed a holiday. Any holiday falling on Sunday shall be observed on the following Monday. Any holiday falling on Saturday shall be observed on the

preceding Friday. Any day or portion thereof designated as a holiday by the Employer shall be recognized as a holiday under this Article. The Employer shall honor all holidays which are recognized by the State of Washington.

- 6.4 Employees required to work on a holiday or the observed holiday as described in section 6.3, shall be paid at ~~one and one-half (1-1/2)~~two (2) times their regular straight-time hourly rate of pay for each hour worked in addition to the holiday pay. All holiday work shall be approved by the Public Works Director. No employee shall be called to work on a holiday for less than four point five (4.5) hours.
- 6.5 To qualify for holiday pay, an employee shall have worked his/her regularly scheduled workday preceding and following the holiday, unless the employee is on vacation, sick leave, or other paid leave.
- 6.6 In the event a holiday falls on an employee's regular day off, the employee shall be granted his/her next regularly scheduled workday off with pay.

ARTICLE VII VACATIONS

- 7.1 Each regular full-time employee shall be granted vacation with pay on the following basis in accordance with the employee's years of service as of the employee's anniversary date of hire:

<u>Years of Service</u>	<u>Number of Working Days of Vacation</u>
1 through 4	12
5 through 9	17
10	20
11 and thereafter	1 additional day per year to maximum of 25 days

Service years will be calculated as of the beginning of the year, i.e. the beginning of Year 5 (completion of 4 years of service) or the beginning of Year 10 (completion of 9 years of service).

- 7.2 A vacation shall not be taken until the completion of six (6) calendar months of service. An employee hired on or before the fifteenth (15th) day of any month shall accrue vacation leave from the first (1st) day of that month. An employee hired on or after the sixteenth (16th) day of any month shall accrue vacation from the first (1st) day of the next month following.

- 7.2.1 ~~Vacation shall be taken in increments of no less than one-half (1/2) day or at the discretion of the Public Works Director.~~

- 7.3 Vacations shall be scheduled at such times as the Employer finds most suitable after considering the wishes of the employee and the requirements of the department. Scheduling conflicts shall be resolved on the basis of seniority for those vacation requests submitted by January 31st. An employee called back to work from a scheduled vacation day off for three (3) hours or less shall be compensated in accordance with Section 4.2, in addition to the employee's vacation pay. An employee called back to work from a scheduled vacation day off

for more than three (3) hours shall be compensated at his/her overtime rate, in addition to the employee's vacation pay.

- 7.3.1 Vacation time scheduled in excess of two (2) weeks shall be approved by the Public Works Director or designee so long as the essential staffing functions of the City can be met.
- 7.4 An employee may carry over ~~one (1) year's accrual of vacation past the employee's anniversary date of hire based on the employee's current accrual rate up to a maximum of twenty (20) days up to 200 hours of vacation past the employee's anniversary date of hire.~~
- 7.5 Upon the effective date of the termination of an employee's employment, such employee shall thereupon be entitled to a sum of money equal to his/her most recent regular compensation for any earned vacation leave time not yet used; provided however, this provision shall not be applicable to probationary employees.
- 7.6 Upon the employee's request, the Employer shall provide the employee a vacation paycheck prior to the commencement of the employee's vacation period. The vacation must be for a period in excess of five (5) workdays before the employee is able to request said check.

ARTICLE VIII LEAVES

- 8.1 Sick Leave - Regular full-time employees shall accumulate sick leave pay at the rate of one (1) day for each completed calendar month of service. Accumulated sick leave pay shall be paid at the rate of eight (8) hours per day at the employee's regular straight-time hourly rate of pay from and including the employee's first (1st) working day absent. Sick leave shall not be taken until the completion of ninety (90) days of service.
- 8.1.1 Sick leave time which is used by an employee shall be deducted from his/her accumulated sick leave time.
- 8.1.2 Sick Leave Benefit Usage - Regular employees may use sick leave in accordance with the City Personnel Manual. To the extent the City desires to change any provisions in the Personnel Manual relating to sick leave, the City shall provide notice to the Union and an opportunity to bargain prior to implementing any change not mandated by State or Federal laws.
- 8.1.3 The Employer may require a doctor's certificate if the absence exceeds three (3) days or a shorter period if the Employer has good cause to believe the sick leave is being abused.
- 8.1.4 Abuse of Sick Leave – Abuse of sick leave is defined as wrong or improper use. Abuse of sick leave will be evaluated on a case by case basis between the employee and the Employer and may result in disciplinary action. Some examples of sick leave use that could cause the Employer to be concerned of possible problems or abuse are:

1. Pattern of sick leave use adjoining weekends, holidays, and vacation time.
2. Consistently high sick leave use with no doctor's report, major disability, illness, or injury.
3. Inability to provide a medical reason from a doctor if one has been requested by the Employer.

8.1.5 An employee who is eligible for State Industrial Insurance because of an on-the-job injury shall receive sick leave for the difference between his/her regular day's pay and the amount paid by State Industrial Insurance after the first three (3) days off the job. The full amount of sick leave shall be paid for the first three (3) days off the job. If an employee is reimbursed by State Industrial Insurance for the first three (3) days off the job, such amount shall be returned to the Employer and the employee shall be credited an amount of sick leave equal to the amount reimbursed to the Employer.

~~8.1.6 Sick Leave Bonus - If, during the calendar year, an employee uses no sick leave, the employee shall be paid a bonus of one hundred dollars (\$100.00), payable on the last paycheck of the year.~~

8.2 Bereavement Leave - An employee who has a member of his/her immediate family taken by death shall receive three (3) days off with pay as bereavement leave. Upon approval by the Mayor, additional time off with pay may be granted.

8.2.1 "Immediate family" shall be defined as wife, husband, daughter, son, mother, father, sister, brother, first aunt, first uncle, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother or grandfather.

8.3 Jury Leave - An employee who is required to serve on a jury or is required to appear before a court, legislative committee, or quasi-judicial body, except when the employee is a plaintiff or defendant, shall advise the Employer upon receipt of such notice, and if taken from his/her work for such service shall be reimbursed as provided herein for any loss of wages while actually performing such service; provided however, he/she shall exhibit to the Employer his/her properly endorsed check and shall permit the Employer to copy the check or voucher he/she received for such service. The amount the employee shall be reimbursed shall be determined by subtracting the amount he/she received for such jury service from the amount he/she would have earned at his/her regular straight-time hourly rate of pay during the regular working hours he/she missed while performing such service. In the event the employee was entitled to compensation for such service but did not take it, then the amount he/she would have been entitled to shall be deducted from his/her compensation for the next pay period. The Employer shall have the right, at the Employer's expense and after consulting with the employee, to request the court to excuse the employee from any or all jury duty if there are extraordinary circumstances that would make the absence of the employee an undue hardship on the Employer or other personnel. If an employee has sufficient time to work one-half (1/2) day or more, he/she shall report to work that day.

8.4 Leave of Absence - Leaves of absence shall be at the discretion of the Employer. If approved by the Employer, an employee may take a leave of absence without pay or benefits. Such a leave shall not constitute a break in service but no benefits

or seniority shall accrue during the leave of absence.

- 8.5 Temporary Disability Leave - Employees who are physically unable to perform the functions of their position for medical reasons and who have exhausted all accrued sick leave shall be placed on temporary disability leave. The Employer may request written verification from a licensed medical doctor that the employee is physically disabled and verification of the extent of such disability and the projected date for return to work. Temporary disability leave shall only be granted for the period of disability and shall not exceed six (6) months. The Employer shall continue to pay the health and welfare benefits during such leave but the leave shall be without pay. Upon the expiration of the temporary disability leave, the employee may request a leave of absence.
- 8.6 Sick Leave Buyback - Upon termination of employment, employees shall be compensated for any accrued sick leave at the rate of twenty-five percent (25%) to a maximum of one hundred sixty (160) hours of his/her accrued sick leave value. The value shall be calculated at the employee's hourly rate of pay at the time of termination.
- 8.7 Sick Leave Donation – Effective January 1, 2015, the parties agree to create a Sick Leave Pool for use by the bargaining unit members and donation to other city employees per City Personnel Guidelines. The donation to the pool shall be only those hours of sick leave accrued by an employee in excess of nine hundred sixty (960) hours.
- 8.8 Family Medical Leave – Family Medical Leave shall be administered in accordance with State and Federal laws and in conformance with the most current version of the City Personnel Manual as adopted by resolution of the City Council.
- 8.9 Paid Family and Medical Leave Program – Eligible employees are covered by Washington's Family and Medical Program, RCW 50A. Eligibility for leave and benefits, which began January 1, 2020, is established by Washington law and is therefore independent of this Agreement. Premiums for benefits are established by law. Employees will pay through payroll deduction the full cost of the premiums associated with family leave benefits and forty-five percent (45%) of the cost of premiums associated with the medical leave benefits, as determined by RCW 50A. The City will pay the remaining medical leave premium amount.

ARTICLE IX HEALTH AND WELFARE BENEFITS

- 9.1 Medical Insurance — ~~For the term of this agreement, Effective January 1, 2021, and thereafter~~ the Employer agrees to provide regular full-time employees and dependent(s) of regular full-time employees' medical coverage under the AWC HealthFirst 250 Medical Plan or an equivalent medical plan.
- 9.1.1 ~~For the term of this agreement, Effective January 1, 2021, and thereafter~~ the Employer shall pay ninety five percent (95%) and the employee five percent (5%) of the monthly premium cost for AWC HealthFirst 250 medical coverage for the employee. Additionally, the Employer shall pay ninety percent (90%) and the employee ten percent (10%) of the monthly premium cost for the spouse and/or dependent(s) enrolled.

- 9.1.2 The City may reopen the Agreement for the limited purpose of obtaining changes necessitated by State or Federal health care reform.
- 9.1.3 In the event the employee's spouse has medical coverage available through his/her place of employment, the employer will not pay any percentage/portion of the medical insurance premiums. Should the spouse lose their existing medical coverage through the loss of employment or other reasons outside of the spouse's control then Sections 9.1 and 9.1.1 would be available for the employee. (Note: The employee may choose to enroll their spouse for medical coverage with one hundred percent (100%) of the premium being paid by the employee.)
- 9.1.4 Medical Opt-Out - Employees will receive thirty five percent (35%) of the employee only medical premium amount each month, if they choose to decline medical coverage from the City. Medical opt-out requests will be allowed on a first come/first serve basis by approval of the City so as not to jeopardize the participation requirements of the City's insurance provider. Should an employee who has elected to opt out have a change in medical coverage status due to a qualifying event as defined by the City's insurer they will be able to re-enroll in the City's medical plans.
- 9.2 Dental Insurance - The Employer shall pay each month ninety-five percent (95%) of the premium necessary for the purchase of employee and dependent coverage under the Association of Washington Cities, Dental Service Plan B, including Orthodontia coverage for one dependent.
- 9.3 Vision Insurance - The Employer shall pay each month one hundred percent (100%) of the premium necessary for the purchase of employee and dependent coverage under the Association of Washington Cities, Vision Service Plan, Full Family - \$10.00 deductible.
- 9.4 Long-Term Disability Insurance - The Employer shall pay each month one hundred percent (100%) of the premium necessary for the purchase of employee coverage under the Association of Washington Cities, Standard Insurance Long-Term Disability plan.
- 9.5 Life Insurance – The Employer shall pay each month one hundred percent (100%) of the premium necessary for the purchase of employee life insurance coverage at the fifty thousand dollar (\$50,000.00) benefit level under the Association of Washington Cities Group Life Insurance Plan.
- 9.6 The Employer shall provide an Employee Assistance Program (EAP) for all bargaining unit employees at no expense to the employees.
- 9.7 Flexible Spending Account – Effective January 1, 2023 and each year after, the Employer will establish a flexible spending account. Employees may opt into the plan and contribute through payroll deduction. The Employer will cover the full cost of plan administration.

ARTICLE X PENSION

- 10.1 The Employer shall divert one dollar and fifty cents (\$1.50) per hour into the Western Conference of Teamsters Pension Trust (WCTPT). Contributions shall be pre-tax, consistent with Federal and State guidelines. Effective upon ratification of this Agreement, the bargaining unit shall determine an additional amount, if any, that will be deferred from pay increases into the Western Conference of Teamsters Pension Trust. The Union will notify the Employer of the amount no later than December 31st of each year.
- 10.2 The Employer shall contribute that amount into the WCTPT on account of each member of the bargaining unit, for each compensable hour.
- 10.3 The total amounts due for each calendar month shall be remitted in a lump sum not later than ten (10) days after the last business day of such month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the determination of contributions due, the prompt and orderly collection of such amounts, and the accurate reporting and recording of such amounts paid on account of each member of the bargaining unit.
- 10.4 Notwithstanding any provision to the contrary that may be contained elsewhere within this Agreement, the Employer shall pay the Teamsters Pension contribution set forth within Section 10.1 on behalf of all individuals covered under the collective bargaining agreement and performing bargaining unit work, including part-time employees and; temporary employees, ~~summer help and seasonal help.~~
- 10.4.1 Specifically excluded from the unit shall be employees working on a seasonal basis that perform "seasonal field or summer work" upon the Employer owned property regardless of the method compensated of the location of the work performed.
- The scope of this Agreement shall not be expanded by the continuation of the practice of bargaining unit employees performing "field or summer work" so assigned. Provided however the terms of this Agreement shall apply whenever bargaining unit employees perform non-bargaining unit "field or summer work".
- No person or third party beneficiary shall interpret this Agreement such that "field or summer work" shall be considered bargaining unit work regardless of the similarity of work, tools, supervision, or other characteristic. The Union specifically and unequivocally disclaims any work performed by seasonal field or summer work and confirms that such work is not bargaining unit work for the purpose of this section.

ARTICLE XI MISCELLANEOUS

- 11.1 Non-Discrimination - The Employer and/or the Union shall not unlawfully discriminate against any employee or applicant for employment on the basis of any protected class recognized in RCW 49.60 ~~race, color, creed, religion, sex, national origin, age, marital status, non-membership in the Union, political affiliation or physical, sensory or mental handicaps.~~

11.1.1 Wherever words denoting a specific gender are used in this Agreement, they are intended and shall be construed so as to apply equally to either gender.

11.2 No employee shall strike or refuse to perform his/her assigned duties to the best of his/her ability nor shall the Union cause or condone any strikes, slow downs, or other interference with the normal operations of the Employer during the life of this Agreement. The Employer shall not lock out any employee during the life of this Agreement.

11.3 Rainwear - The Employer shall provide appropriate rain gear for employees.

11.4 Compulsory Retirement – No employee shall be compelled to retire solely on the basis of age prior to attaining seventy (70) years of age.

11.5 Uniforms – If an employee is required to wear a uniform, protective clothing, or any type of protective device as a condition of employment, such uniform, protective clothing, or device shall be furnished to the employee by the Employer. The cost of maintaining such equipment in good repair shall be borne by the Employer. Uniforms or clothing replacement will be supplied by the last working day in January.

11.5.1 The Employer shall pay each employee by the last pay period in February of each calendar year ~~of this agreement (2021, 2022, 2023)~~, eight hundred and eighty dollars (\$880.00), for the purchase of clothing and footwear such as, the following:

- Work pants
- Long-sleeved work shirts (for winter)
- Tee-shirts (for summer)
- Hats
- Mechanics coveralls
- Winter weight jacket
- One lightweight jacket
- Safety boots which meet WISHA standards

Each employee shall make a good faith effort to wear one piece of clothing bearing the City of North Bend logo. The cost of getting said items embroidered with the City's logo shall be borne by the employee.

11.5.2 Employees are responsible for the cleaning of their uniform and they are expected to begin each workday in a clean and presentable uniform.

11.6 Training - The Employer shall allow employees to attend activities necessary for maintaining required certifications. Employees required to attend a training activity shall receive eight (8) hours at the employee's regular straight-time hourly rate of pay; provided however, there shall be no overtime payment for attending such activities. The Employer shall pay all costs related to such activities, including mileage in accordance with the established rate.

- 11.7 Paychecks - The salaries of employees shall be paid twice monthly on the 5th and 20th of each month; provided however, if such day is a holiday, the preceding workday shall normally be the payday.
- 11.8 The Employer shall furnish and maintain necessary safety equipment and required safety apparel.
- 11.9 Deferred Compensation - Effective upon ratification the Employer shall match an employee's contribution to the Employer provided Deferred Compensation Plan on a one (1) for one (1) basis (one (1) Employer dollar for every employee dollar), up to maximum Employer Contribution of ~~one hundred and fifty dollars (\$150.00)~~ two hundred dollars (\$200.00) per month. If during the term of this Agreement any other represented group at the City of North Bend negotiates an amount greater than ~~one hundred and fifty dollars (\$150.00)~~ two hundred dollars (\$200.00), this contract shall be increased to match such amount.

ARTICLE XII DISCHARGE AND SUSPENSION

- 12.1 The Employer shall not discipline, suspend or discharge an employee without just cause. The Employer shall recognize the principal of progressive discipline in the administration of employee discipline, except when the discipline is for violations including but not limited to violence, intoxication, insubordination, illegal activities, sexual or racial harassment or harassment of any protected class, or similar activities. Violations of this nature will be cause for disciplinary action up to and including termination. The Employer shall forward a copy of any disciplinary action to the Union at the same time of issuance to the employee.
- The City must issue discipline, suspension or discharge within twenty-one (21) calendar days of its knowledge of an incident-giving rise to discipline. If the City has not issued discipline within that time limit, the discipline shall be null and void.
- 12.2 A warning notice shall remain in effect for a period not to exceed nine (9) months; provided however, if the offense is one for which the employee could have been suspended or discharged under Section 12.1 then the Employer and the Union may agree that a warning notice may be given and that the notice shall remain in effect for a period of more than nine (9) months. A copy of any warning notice shall be sent to the Union at the time it is issued to the employee.

ARTICLE XIII GRIEVANCE PROCEDURE

- 13.1 The sole and exclusive method of adjusting all matters pertaining to the proper application and interpretation of any and all of the provisions of this Agreement and/or any other issues in dispute between the parties shall be by utilizing the following procedure:
- 13.1.1 STEP 1 – The Union shall present the grievance in writing to the Public Works Director within twenty-one (21) calendar days of its occurrence, or the date the employee becomes aware of its occurrence, or it shall not be subject to the grievance procedure. The Public Works Director shall provide a written response within twenty-one (21) calendar days of his/her receipt of the Step 1 grievances.

- 13.1.2 STEP 2 – If the grievance is not resolved at STEP 1, the Union shall have twenty-one (21) calendar days from the receipt of the Director's response to Step 1, to submit the grievance in writing to the City Administrator. A grievance not presented to the City Administrator in writing and within the timeline specified herein shall not be subject to the grievance process. The parties may meet and try to resolve the issue. The City Administrator shall provide a written response to the Union within twenty-one (21) calendar days of his/her receipt of the Step 2 grievance letter.

The Union shall proceed immediately to Step 2 in presenting a grievance on a discharge, and the grievance must be submitted in writing to the City Administrator, pursuant to Step 2, within twenty-one (21) calendar days of its occurrence, or the date the employee should have reasonably known of its occurrence. If a discharge grievance is not presented to the City Administrator in writing and within the timeline specified herein it shall not be subject to the grievance process. The Parties may meet and try to resolve the issue. The City Administrator shall provide a written response to the Union within twenty-one (21) calendar days of its receipt of the Step 2 letter.

- 13.1.3 STEP 3 – If the grievance is not resolved to the Union's satisfaction at Step 2, the Union may refer the matter to arbitration by submitting a written petition to the Public Employment Relations Commission within twenty-one (21) calendar days of receiving the City Administrator's Step 2 written response. The petition shall request a list of nine (9) names of qualified arbitrators from which the parties shall alternatively strike names until one (1) name remains. The right to strike first shall be determined by a flip of the coin. The remaining name shall serve as the impartial arbitrator who shall conduct a hearing and issue a decision, which shall be final and binding upon all parties to the dispute. The Arbitrator may only render a decision on the issues addressed within this agreement. Nothing in this section should be construed as to prohibit the parties from agreeing upon a neutral third party to serve as impartial arbitrator.

- 13.2 Each party shall bear the expense of presenting its own case. The expenses of the arbitrator shall be borne equally by the Employer and the Union.

- 13.3 If the Employer is the grieving party, the same procedure set forth above shall apply except the roles of the Union and the Employer shall be reversed.

- 13.4 The aforementioned time limits may be waived by mutual agreement between the Union and the Employer.

ARTICLE XIV MAINTENANCE OF STANDARDS

- 14.1 The Employer agrees that any and all conditions of employment shall be maintained at not less than the highest standards in effect at the time of signing of this Agreement. The Employer shall not pay less than the wages set forth herein, nor work employees fewer hours than set forth herein.

ARTICLE XV MANAGEMENT RIGHTS

15.1 Delivery of municipal services in the most efficient, effective and courteous manner is of paramount importance to the Employer, and as such, maximized performance is recognized to be an obligation of employees covered by this Agreement. In order to achieve this goal, the parties hereby recognize the Employer's right to determine methods, processes and means of providing municipal services, to increase, diminish or change municipal equipment, including the introduction of any new, improved or automated methods or equipment, and the assignment of employees to specific jobs within the bargaining unit in accordance with their job classification or title. The City maintains the right to contract for goods and services for operation of the Department(s) that would otherwise disrupt normal operations or are outside the skills, existing person power and/or ability (based upon the size of an operation and equipment needed to complete the operation) of the work performed by the classifications covered by this Agreement; and to perform all of the functions not otherwise expressly limited by this Agreement. The City may contract to transfer maintenance responsibilities of Torguson Park and/or the Railroad Depot at the William H. Taylor City Park to the Si View Metropolitan Park District without further bargaining with the Union. This Agreement with Si View shall not result in the layoff or reduction in any currently employed full time employee or loss of hours currently worked by fulltime or temporary employees, with the exclusion of seasonal/casual employees who may be laid off or subject to a reduction in hours in such event,. Other examples of management prerogatives are the right to hire, promote, discharge for just cause, improve efficiency and determine the work schedules and location of department headquarters.

15.2 The Union recognizes the Employer's right to establish performance standards as contained in the job descriptions. Such standards may be used to determine acceptable performance levels and to prepare work schedules. The Employer and the Union shall negotiate any changes in performance standards. Performance standards shall be reasonable.

ARTICLE XVI MATTERS COVERED AND COMPLETE AGREEMENT

16.1 It is agreed that this document contains the full and complete agreement on all bargainable issues between the parties hereto and there are no other agreements written or verbal except as specifically referred to within.

ARTICLE XVII SEVERABILITY AND SAVINGS

17.1 Should any portion of this Agreement not be put into effect because of subsequent legislation, Executive Orders, regulations dealing with Wage and Price Stabilization, or any other similar superior governmental mandates, then such portions or any part thereof including any retroactive requirement thereof shall become effective at such time and in such amounts and for such periods retroactively and prospectively as shall be permitted by law at any time during the life of this Agreement and any extensions thereof.

- 17.2 Should any provision of this Agreement be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance or enforcement of any provision should be retained by such tribunal pending a final determination as to its validity, the remainder of this Agreement as it relates to persons or circumstances other than those to which it has been held invalid shall not be affected thereby. In the event that any provision of this Agreement is held invalid or enforcement of or compliance with has been restrained, as hereinbefore set forth, the Employer and the Union shall enter into immediate collective bargaining negotiations upon the request of either party for the purpose of arriving at a mutually satisfactory replacement for such provision during the period of invalidity or restraint. In the event the Employer and the Union fail to reach an agreement as to a replacement for such provision, such dispute shall be submitted to the grievance procedure for final resolution.

ARTICLE XVIII DURATION

- 18.1 This Agreement shall be effective January 01, ~~2024~~2024, and shall remain in full force and effect through December 31, ~~2023~~2026.
- 18.2 Notwithstanding the provisions of Section 17.1, this Agreement and all of its terms and provisions shall continue to remain in full force and effect during the course of negotiations on a new Labor Agreement until such time as the terms of a new Agreement have been reached or an impasse has been reached and declared by the Employer and/or the Union whichever is the sooner; provided however, in no event shall an impasse be declared earlier than one (1) year following the expiration date of this Agreement.

PUBLIC, PROFESSIONAL & OFFICE-
CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763, affiliated with the
International Brotherhood of Teamsters

CITY OF NORTH BEND,
WASHINGTON

By _____
~~Scott A. Sullivan~~Chad Baker
Secretary-Treasurer

By _____
~~Rob McFarland~~Mary Miller
Mayor

Date _____

Date _____

APPENDIX "A"
to the
AGREEMENT
by and between
CITY OF NORTH BEND, WASHINGTON
and
PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763
(Representing the Public Works Employees)

January 01, ~~2021-2024~~ through December 31, 2023
2026

THIS APPENDIX is supplemental to the AGREEMENT by and between the CITY OF NORTH BEND, WASHINGTON, hereinafter referred to as the Employer, and PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the Union.

A.1 Effective January 1, ~~2021-2024~~, the ~~2020~~ rates of pay for each classification covered by this Agreement shall be increased by ~~one and one half percent (1.5%) across the board, plus one half (1/2) of the percentage below the market average adjustment to reflect fifty percent (50%) of the agreed market based on the compensation study completed in 2023 plus four and one half percent (4.5%).~~

<u>RATES OF PAY</u>	<u>STEP A</u> <u>00-06m</u>	<u>STEP B</u> <u>07-12m</u>	<u>STEP C</u> <u>13-24m</u>	<u>STEP D</u> <u>24-36m</u>	<u>STEP E</u> <u>37-48m</u>	<u>STEP F</u> <u>49+</u>
Waste Water Treatment Plant Operator II	\$5,592.56	\$5,816.26	\$6,048.91	\$6,290.87	\$6,542.50	\$6,804.20
Waste Water Treatment Plant Operator I	\$5,207.92	\$5,416.24	\$5,632.89	\$5,858.20	\$6,092.53	\$6,336.23
Waste Water Treatment Plant Operator — in Training	\$4,800.39	\$4,992.40	\$5,192.10	\$5,399.78	\$5,615.77	\$5,840.40
Senior Lead Technician	\$6,513.14	\$6,773.67	\$7,044.61	\$7,326.40	\$7,619.45	\$7,924.23
Lead Parks Technician Lead Streets Technician Lead Water System Operator Lead WWTP Operator	\$5,957.06	\$6,195.34	\$6,443.15	\$6,700.88	\$6,968.91	\$7,247.67
Water System Operator	\$5,363.41	\$5,577.95	\$5,801.07	\$6,033.11	\$6,274.43	\$6,525.41
Mechanic	\$5,355.62	\$5,569.84	\$5,792.63	\$6,024.34	\$6,265.31	\$6,515.93
Maintenance Worker	\$4,990.97	\$5,190.61	\$5,398.23	\$5,614.16	\$5,838.73	\$6,072.28
Maintenance Worker Entry	\$4,885.66	\$5,237.57				

<u>Position</u>	<u>Step A (00-06m)</u>	<u>Step B (07-12m)</u>	<u>Step C (13-24m)</u>	<u>Step D (24-36m)</u>	<u>Step E (37-48m)</u>	<u>Step F (49+)</u>
<u>Senior Lead Technician</u>	\$8,210	\$8,679	\$9,148	\$9,616	\$10,085	\$10,554
<u>Senior Mechanic</u>	\$7,446	\$7,848	\$8,250	\$8,651	\$9,053	\$9,455
<u>Lead Waste Water Treatment Plant Operator</u>						
<u>Lead Water System Operator</u>						
<u>Lead Parks Technician</u>						
<u>Lead Streets Technician</u>						
<u>Millwright</u>	\$7,060	\$7,406	\$7,752	\$8,097	\$8,443	\$8,789
<u>Water System Operator II</u>	\$6,719	\$7,087	\$7,455	\$7,824	\$8,192	\$8,560
<u>Waste Water Treatment Plant Operator II</u>						
<u>Mechanic</u>	\$6,238	\$6,604	\$6,970	\$7,336	\$7,702	\$8,068
<u>Water System Operator I</u>						
<u>Waste Water Treatment Plant Operator I</u>						
<u>Maintenance Worker</u>						
<u>Water Systems Operator - in Training</u>	\$5,641	\$5,920	\$6,199	\$6,479	\$6,758	\$7,037
<u>Waste Water Treatment Plant Operator - in Training</u>						
<u>Maintenance Worker - Entry</u>	\$5,248	\$5,521				

- A.1.1 Effective January 01, ~~2022~~2025, the pay rates in effect on December 31, 2024 shall be increased by 100% of the Seattle-Tacoma-Bellevue CPI-U, June-to-June ~~2024~~2024, with a minimum increase of one percent (1%) and a maximum increase of ~~three percent (3%)~~, plus by one half (1/2) of the percentage below the market average adjustment ~~five percent (5%)~~.
- A.1.2 Effective January 01, ~~2023~~2026, the pay rates in effect on December 31, 2022 shall be increased by 100% of the Seattle-Tacoma-Bellevue CPI-U, June-to-June ~~2022~~2025, with a minimum increase of one percent (1%) and a maximum increase of ~~three percent (3%)~~ five percent (5%).
- A.1.3 Retroactive pay, where applicable, shall be paid on the first regular pay day following execution of this agreement, if possible, and in any case not later than the second regular pay day for all hours compensated.
- A.2 Step Increases - STEPS A to B, B to C, C to D, D to E and E to F are STEP increases which become effective upon completion of the specified months of employment identified in Sections A.1, A.1.1 and A.1.2.
- A.2.1 An employee at the Maintenance Worker Entry position shall move to the Maintenance Worker STEP progression, beginning at STEP A, upon completion of one (1) year of service at the entry level position.
- A.3 Promotion - An employee promoted from one classification to another shall be placed into the lowest pay STEP of the higher classification which provides for an

increase of at least four point five percent (4.5%).

A.3.1 Employees in the Wastewater Treatment Plant Operator I classification who obtain a Wastewater Treatment Plant II certification will be immediately promoted to a Waste Water Treatment Plant Operator II classification and placed at the step consistent with promotion pay above.

A.3.2 Employees in the Water System Operator 1 classification who obtain a Water Distribution Manager II (WDM II) certification will be immediately promoted to a Water System Operator II classification and placed at the step consistent with promotion pay above.

A.4 Longevity Bonus – Employees shall receive the longevity bonus below in accordance with their years of service. Service years will be calculated as of the beginning of year, i.e., beginning of year six is completion of 5 years of service or the beginning of year 9 is the completion of 8 years of service.

<u>Years of Service</u>	<u>Percentage of Base Monthly Wage</u>
5 Years or more	1%
9 Years or more	2%
12 Years or more	3%
15 Years or more	4%
20 Years or more	5%

A.5 The parties agree to establish a Senior Mechanic, Water Systems Operator series, Waste Water Plant Operator series and Millwright position within the Public Works Department and this collective bargaining agreement.

The parties agree that the following employees will be classified in the specific titles:

<u>Senior Mechanic</u>	<u>Jeff Divers</u>
<u>Waste Water Treatment Plant Operator II</u>	<u>Craig Jess</u> <u>Tom Glenn</u>
<u>Water System Operator II</u>	<u>Jim Casassa</u> <u>Max Lee</u> <u>Nick Johnson</u>

~~The parties agree to establish a Senior Lead Position within the Public Works Department and this collective bargaining agreement. The Public Works Director or designee shall assign a Lead Technician (Parks, Streets, Water or Wastewater) from the bargaining unit as a Senior Lead. The Leads currently perform various supervisory functions such as scheduling and leading work, supervising timecard submittals and requests for leave, training and prioritizing work. Should the Employer wish to select a Lead Technician to perform additional supervisory functions such as:~~

- ~~• Supervise all activities to ensure work is performed in an effective, timely and cost effective manner.~~
- ~~• Encourage and motivate public works employees to maximize performance.~~

- ~~Set work goals with employees consistent with goals approved by Public Works Director.~~
- ~~Track goal work and completion and report information to Public Works Director.~~
- ~~Nominate employees to be considered to receive an award from the Employee Recognition Program.~~
- ~~Make recommendations to the Public Works Director to increase worker productivity.~~
- ~~Provide guidance to public works employees to assist them in maximizing performance.~~
- ~~Provide input to employee performance to the Public Works Director when the Director is evaluating worker performance.~~
- ~~Assist other leads completion of expense coding of accounts payable for operations and maintenance expenses and public works projects.~~

The parties further agree that Section 4.5 of the Collective Bargaining Agreement entitled "Work in Higher Classification" provides for a salary increase of at least four point five percent (4.5%) for performing a "substantial amount of the duties" of a higher paid classification shall not apply or be in addition to this Section.

PUBLIC, PROFESSIONAL & OFFICE-
CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763, affiliated with the
International Brotherhood of Teamsters

CITY OF NORTH BEND,
WASHINGTON

By _____
~~Scott A. Sullivan~~ Chad Baker
Secretary-Treasurer

By _____
~~Rob McFarland~~ Mary Miller
Mayor

Date _____

Date _____

APPENDIX "B"
to the
AGREEMENT
by and between
CITY OF NORTH BEND, WASHINGTON
and
PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763
(Representing the Public Works Employees)

January 01, ~~2018~~2024 through December 31, ~~2020~~2026

THIS APPENDIX is supplemental to the AGREEMENT by and between the CITY OF NORTH BEND, WASHINGTON, hereinafter referred to as the Employer, and PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the Union.

- B. Job classification descriptions and qualifications for positions covered by the Agreement are as follows:

LEAD WASTEWATER TREATMENT PLANT OPERATOR - Oversees and directs the daily work of the crews engaged in operations, maintenance and repairs of the City's Wastewater Treatment plant, collection system and facilities. Schedules daily activities at the direction of the Wastewater Treatment Plant Manager and Senior Lead Technician. Assists and advises on capital improvement projects as needed. Operates wastewater treatment and sludge processing equipment, observes variations in conditions and interprets meter and gauge readings; performs lab test and routine maintenance; operates electrical control panels, chlorinators, electric motors and OT equipment. Shall have a Wastewater Treatment Plant Operator Group II plant license. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department.

WASTEWATER TREATMENT PLANT OPERATOR II – Operates wastewater treatment and sludge processing equipment, observes variations in conditions and interprets meter and gauge readings; performs lab test and routine maintenance; operates electrical control panels, chlorinators, electric motors and OT equipment. Performs all operation, repair and maintenance functions for the city's wastewater collection system as assigned. Shall have a Wastewater Treatment Plant Operator Group II plant license. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department.

WASTEWATER TREATMENT PLANT OPERATOR I - Operates wastewater treatment and sludge processing equipment, observes variations in conditions and interprets meter and gauge readings; performs lab test and routine maintenance; operates electrical control panels, chlorinators, electric motors and OT equipment. Performs all operation, repair and maintenance functions for the city's wastewater collection system as assigned. Shall have a Wastewater Treatment Plant Operator Group I plant license. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department. Responsibilities in operation of treatment plant are secondary to Operator II.

MILLWRIGHT - This position maintains and operates the City of North Bend's Publicly Owned Treatment Works (POTW) including but not limited to the wastewater treatment plant, pump stations, collection system and related equipment. Performs skilled, entry level to journeyman-level work in monitoring, repairing and controlling the functioning of the POTW, plant, collection system, equipment and processes. Perform the duties of a Maintenance Worker and plant operator as needed to efficiently utilize human resources within the department. Perform a wide variety of tasks from journey level millwright work to complex wastewater operations control.

WASTEWATER TREATMENT PLANT OPERATOR-IN-TRAINING (OIT) – This trainee position is designed specifically to meet the 12-month on-the-job training period required for Wastewater Treatment Plant Operator Group 1 certification. This position will assist with the operations of the Sewer utility under the monitoring of the Lead Operator and/or WWTP Manager. Performs the duties of Maintenance Worker as needed to efficiently utilize human resources within the Department. Upon successful completion of the 12-month probation and training period and receipt of the required Group 1 license the incumbent will be appointed as a Wastewater Treatment Plant Operator 1.

SENIOR MECHANIC- Oversees and directs the daily work of the City's Shop and fleet. Schedules daily activities at the direction of the Public Works Supervisor or Senior Lead Technician. May perform the duties of a Maintenance Worker as needed. Assists and advises on capital improvement projects as needed. Performs a wide variety of maintenance and repair functions on gasoline and diesel engines, electric motors, and specialized maintenance equipment in the City shop and in the field as necessary. Repairs vary and include major repair to engines, transmission, and brake systems. Incumbents also perform preventive maintenance and are responsible for repair and replacement of parts and fluids. The position designs and fabricates parts and modifies vehicles for specialized use. Work is performed independently and requires substantial technical knowledge of equipment and vehicle maintenance and repair. Independently performs technically difficult mechanical repair and parts replacement and fabrication in accordance with specific procedures, established practices, and under intermittent supervision. Prioritizes and organizes own work to meet deadlines and goals. A position in this class performs a greater variety of tasks than a position in the Equipment Mechanic class and may supervise the mechanic position if filled.

MECHANIC – Performs work as assigned by the Senior Mechanic. Inspects, diagnoses, overhauls, repairs and maintains gasoline, diesel and mechanical equipment and machinery such as backhoes, automobiles, dump trucks, pumps (including water, hydraulic and air pumps) and generators. May do some arc and gas welding and fabricate parts. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department.

LEAD STREETS/ STORM WATER TECHNICIAN - Oversees and directs the daily work of the crews engaged in operations, maintenance and repairs of the City streets and storm drainage. Schedules daily activities at the direction of the Public Works Supervisor or Senior Lead Technician. Assists and advises on capital

improvement projects as needed. Performs the duties of a Maintenance Worker as needed.

LEAD PARKS TECHNICIAN - Oversees and directs the daily work of the crews engaged in operations, maintenance and repairs of the City parks, trails, open spaces, and parks facilities. Schedules daily activities at the direction of the Public Works Supervisor or Senior Lead Technician. Assists and advises on capital improvement projects as needed. Performs the duties of a Maintenance Worker as needed.

MAINTENANCE WORKER - Performs the regular and recurring installation repair and maintenance work in streets, water supply and distribution, sewer collection or parks groups. Operates equipment such as backhoes, dump trucks, loaders, power lawnmowers and simple power tools. Performs skilled manual and equipment operation tasks as needed to fulfill said duties.

LEAD WATER SYSTEMS OPERATOR-

Oversees and directs the daily work of the crews engaged in operations, maintenance and repairs of the City's water distribution system and facilities. Schedules daily activities at the direction of the Public Works Supervisor or Senior Lead Technician. Performs the duties of a Maintenance Worker, as needed. Manages the City's Cross-Connection Control Program and Department of Health water monitoring requirement records. Manages the City's meter reading system and data gathering functions. Monitors and inspects work done by franchise utilities and outside contractors as it relates to City's water system. Assists and advises on capital improvement as needed, locate underground utilities for water, sewer and storm drainage systems, as requested. Shall have a Water Distribution Manager II Certification, Cross Connection Control Specialist Certification, Backflow Assembly Tester Certification and Water Treatment Plant Operator II or OIT Certification.

WATER SYSTEMS OPERATOR 2 - Performs all activities related to the repair, maintenance, and operation of the water distribution system and facilities. May be assigned to manage the City's Cross-Connection Control Program and Department of Health water monitoring requirement records. Performs City's meter reading and data gathering functions. Monitors and inspects work done by franchise utilities and outside contractors as it relates to City's water system. Locate underground utilities for water, sewer and storm drainage systems, as requested. Shall have a Water Distribution Manager II Certification. Cross Connection Control Specialist Certification, Backflow Assembly Tester Certification and Water Treatment Plant Operator II or OIT Certification strongly desired.

WATER SYSTEM OPERATOR 1 – Performs all activities related to the repair, maintenance, and operation of the water distribution system and facilities. May be assigned to manage the City's Cross-Connection Control Program and Department of Health water monitoring requirement records. Performs City's meter reading system and data gathering functions. Monitors and inspects work done by franchise utilities and outside contractors as it relates to City's water system. Locate underground utilities for water, sewer and storm drainage systems, as requested. Shall have a Water Distribution Manager I Certification.

Cross Connection Control Specialist Certification, Backflow Assembly Tester Certification and Water Treatment Plant Operator I Certification or OIT strongly desired.

WATER SYSTEM OPERATOR-IN-TRAINING (OIT) – This trainee position is designed specifically to meet the 12-month on-the-job training period required for Water Systems Operator Group 1 certification. This position will assist with the operations of the Water utility under the monitoring of the Lead . Upon successful completion of the 12-month probation and training period and receipt of the required Water Distribution Manager I (WDM1) certification, the incumbent will be appointed as a Water Systems Operator 1.

SENIOR LEAD TECHNICIAN – Performs additional supervisory functions such as: supervise all activities, encourage, motivate and provide guidance to Public Works employees to maximize performance and make recommendations to Public Works Director to increase worker productivity, set work goals with employees consistent with goals approved by Public Works Director, track goal work and completion and report information to Director, nominate employees for Employee Recognition Program, provide input on employee performance to Public Works Director for evaluating worker performance, and assists Group Leads with accounts payable expense coding for operations and maintenance expenses and public works projects.

WASTEWATER TREATMENT PLANT OPERATOR II – Operates wastewater treatment and sludge processing equipment, observes variations in conditions and interprets meter and gauge readings; performs lab test and routine maintenance; operates electrical control panels, chlorinators, electric motors and OT equipment. Shall have a Wastewater Treatment Plant Operator Group II plant license. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department.

WASTEWATER TREATMENT PLANT OPERATOR I – Operates wastewater treatment and sludge processing equipment, observes variations in conditions and interprets meter and gauge readings; performs lab test and routine maintenance; operates electrical control panels, chlorinators, electric motors and OT equipment. Shall have a Wastewater Treatment Plant Operator Group II plant license. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department. Responsibilities in operation of treatment plant are secondary to Operator II.

MECHANIC – Inspects, diagnoses, overhauls, repairs and maintains gasoline, diesel and mechanical equipment and machinery such as backhoes, automobiles, dump trucks, pumps (including water, hydraulic and air pumps) and generators. May do some arc and gas welding and fabricate parts. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources within the Department.

MAINTENANCE WORKER – Performs the regular and recurring installation repair and maintenance work in streets, water supply and distribution, sewer collection or parks divisions. Operates equipment such as backhoes, dump trucks, loaders, power lawnmowers and simple power tools. Performs skilled manual and

equipment operation tasks as need to fulfill said duties.

~~**LEAD TECHNICIAN** — Oversees and directs the daily work of the crews engaged in operations, maintenance and repairs of the City streets, water, storm drainage, sewer, parks and shop. Schedules daily activities at the direction of the Public Works Supervisor. Shall obtain a water distribution specialist license within one year of appointment. Performs the duties of a Maintenance Worker as needed to efficiently utilize human resources with the Department.~~

~~**WATER SYSTEM OPERATOR** — Schedules crews and oversees all activities related to the repair, maintenance, and operation of the water distribution system and facilities. — Manages the City's Cross-Connection Control Program and Department of Health water monitoring requirement records. Manage City's meter reading system and data gathering functions. Monitors and inspects work done by franchise utilities and outside contractors as it relates to City's water system. Locate underground utilities for water, sewer and storm drainage systems, as requested. — Shall have a Water Distribution Manager II Certification, Cross Connection Control Certification and Basic Treatment Plant Operator Certification.~~

~~**SENIOR LEAD TECHNICIAN** — Performs additional supervisory functions such as: supervise all activities, encourage, motivate and provide guidance to Public Works employees to maximize performance and make recommendations to Public Works Director to increase worker productivity, set work goals with employees consistent with goals approved by Public Works Director, track goal work and completion and report information to Director, nominate employees for Employee Recognition Program, provide input on employee performance to Public Works Director for evaluating worker performance, and assists Lead Technicians with accounts payable expense coding for operations and maintenance expenses and public works projects.~~

~~**WASTEWATER TREATMENT PLANT OPERATOR IN TRAINING (OIT)** — This trainee position is designed specifically to meet the 12 month on the job training period required for Wastewater Treatment Plant Operator Group 1 certification. This position will assist with the operations of the Sewer utility under the monitoring of the Lead Operator and/or WWTP Manager. Performs the duties of Maintenance Worker as needed to efficiently utilize human resources within the Department. Upon successful completion of the 12-month probation and training period and receipt of the required Group 1 license the incumbent will be appointed as a Wastewater Treatment Plant Operator 1.~~

PUBLIC, PROFESSIONAL & OFFICE-
CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763, affiliated with the
International Brotherhood of Teamsters

CITY OF NORTH BEND,
WASHINGTON

By Scott A. SullivanChad Baker
Secretary-Treasurer

By Rob McFarland
Mayor

Date _____

Date _____



City Council Agenda Bill

SUBJECT:		Agenda Date: March 19, 2024		AB24-031
Motion Authorizing Contract with FCS Group for Development Impact Fee Update		Department/Committee/Individual		
		Mayor Mary Miller		
		City Administrator – David Miller		
		City Attorney - Kendra Rosenberg		
		City Clerk – Susie Oppedal		
		Administrative Services – Lisa Escobar		
		Community & Economic Development – Rebecca Deming		X
		Finance – Martin Chaw		
Cost Impact: \$99,530		Public Works – Mark Rigos		
Fund Source: Grant received/Impact Fees				
Timeline: Contract end June 30, 2025				
Attachments: Contract				
<p>SUMMARY STATEMENT:</p> <p>The City of North Bend was awarded a grant in the amount of \$50,000 by the Washington State Department of Commerce on December 11, 2023. The City reached out to the FCS Group to provide a scope of work, as they are already working on the related City’s Fiscal Sustainability Study.</p> <p>The intent and outcome of the grant funds is for actions that plan for and accommodate housing, specifically supporting middle housing. Staff applied for an impact fee update as this was included in the eligible activities. Therefore, the contract is to review and revise the impact fee schedules to reflect proportionate impact of new middle housing units consistent with E2SSB 5258. This includes performing financial analysis and studies to evaluate alternative methods of calculating proportionate impacts and impact fee amounts. Impacts Fee review will include Bicycle & Pedestrian Impact Fees, Transportation Impact Fees, Park Impact Fees, and Fire Impact Fees. Staff may investigate adjusting, combining, or adding impact fees as called for through the process and review. We are looking to adjust all impact fees to charge based on unit size instead of only the current single family/multi-family option.</p> <p>Adoption of any adjustments to impact fees in the North Bend Municipal Code and City’s Taxes, Rates and Fees Schedule will come before Council in the future via ordinance.</p>				
<p>APPLICABLE BRAND GUIDELINES: Consistent delivery of quality basic services, Economic viability/balanced budget, Affordability, and Sustainably managed growth.</p>				
<p>COMMITTEE REVIEW AND RECOMMENDATION: The Finance and Administration Committee reviewed this agreement at its meeting of March 12th, 2024 and recommended placement on the Main Agenda for discussion.</p>				
<p>RECOMMENDED ACTION: MOTION to approve AB24-031, authorizing the Mayor to sign a contract with FCS Group for Development Impact Fee Update, in a form and content approved by the City Attorney, in an amount not to exceed \$99,530.</p>				
RECORD OF COUNCIL ACTION				
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>		
March 19, 2024				

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN THE CITY OF NORTH BEND
AND FCS GROUP**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into this 19th day of March 2024, by and between the City of North Bend, a municipal corporation of the State of Washington (“City”) and FCS Group, a corporation (“Consultant”) in consideration of the mutual benefits and conditions contained herein.

WHEREAS, City has determined a need to have certain services performed for its citizens; and

WHEREAS, Consultant is in the business of performing such services, which are described below; and

NOW, THEREFORE, the parties hereby agree as follows:

1. **Scope of Services.** Consultant shall perform those services described on **Exhibit A** attached hereto, which is incorporated by this reference as if fully set forth. All such services will be rendered with the degree of skill and care exercised by members of Consultant’s profession practicing under similar circumstances at the same time and in the same or similar locale, and in compliance with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.
2. **Compensation and Method of Payment.** Consultant will invoice City monthly based upon the fee schedule set forth in **Exhibit B** attached hereto, which is incorporated by this reference as if fully set forth. Consultant shall be paid a total amount not to exceed NINETY-NINE THOUSAND FIVE HUNDRED THIRY DOLLARS AND 00/100 (\$99,530) without written modification of this Agreement signed by City. City shall pay Consultant for services rendered under this Agreement within ten (10) days after City Council voucher approval. Consultant agrees to complete and return the attached **Exhibit C** (Taxpayer Identification Number) to City prior to or along with the first invoice.
3. **Duration of Agreement.** This Agreement shall be in full force and effect for a period commencing March 19, 2024 and ending June 30, 2025 unless earlier terminated in accordance with Section 11 herein or extended by written amendment in accordance with Section 14 herein.
4. **Ownership, Form, and Use of Documents.** All documents, drawings, specifications, and other materials produced by Consultant in connection with the services rendered under this Agreement shall be the property of City whether the project for which they are made is executed or not. Except as otherwise stated in Exhibit A, Consultant shall provide to City all final documents, reports, or studies in printed and electronic form. Unless otherwise directed in writing by City, all final documents, reports, or studies shall be provided to City in both a PDF and Word format. Where applicable, all Complete Plan Set Drawings shall include all Specifications and shall be submitted to City in the most updated version of AutoCAD in an unrestricted format and in accordance with City Code. Consultant shall not be responsible for any use or modifications of said documents, drawings, specifications, or other materials by City or its representatives for any purpose other than the project specified in this Agreement.
5. **Independent Contractor.** City and Consultant agree that Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create an employer-employee relationship between the parties hereto. Neither

Consultant nor any of Consultant's employees shall be entitled, by virtue of the services provided under this Agreement, to any benefits afforded to City employees. City shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers' compensation, or for otherwise assuming the duties of an employer with respect to Consultant or Consultant's employees.

6. **Indemnification.** Consultant shall indemnify, defend, and hold harmless City, its officers, officials, employees and volunteers 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 Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of City.

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 Consultant and City, its officers, officials, employees, and volunteers, Consultant's liability hereunder—including the duty and cost to defend—shall be only to the extent of Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes 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. The provisions of this section shall survive the expiration or termination of this Agreement.

7. **Insurance.** Consultant shall procure and maintain for the duration of this 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 Consultant, its agents, representatives, or employees. Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit Consultant's liability to the coverage provided by such insurance, or otherwise limit City's recourse to any remedy available at law or in equity.

A. **Scope of Required Insurance.** Consultant shall maintain insurance of the types and coverage described below:

1. **Automobile liability insurance**, with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident, 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**, written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, which shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent Consultants and personal injury and advertising injury. City shall be named as an additional insured under Consultant's Commercial General Liability insurance policy with respect to the work performed for City, using an additional insured endorsement at least as broad as ISO CG 20 26.
3. **Professional liability insurance** appropriate to Consultant's profession, written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.
4. **Workers' compensation coverage** as required by the Industrial Insurance laws of the State of Washington.

- B. Additional Insurance Provisions. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. 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 respects City. Any insurance, self-insurance, or self-insured pool coverage maintained by City shall be excess of Consultant's insurance and shall not contribute with it. Consultant shall provide City with written notice of any policy cancellation within two (2) business days of Consultant's receipt of such notice.
- C. Certificates of Insurance. Within fifteen (15) days of the execution of this Agreement, Consultant shall deliver original certificates and a copy of amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance coverage required by this Section 7.
- D. Failure to Maintain Insurance. Consultant's failure to maintain insurance as required shall constitute a material breach of this Agreement, upon which City may, after giving five (5) business days' notice to Consultant to correct the breach, immediately terminate this Agreement or, at its sole discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to City on demand, or at the sole discretion of City, offset against funds due Consultant from City.
- E. Full Availability of Consultant Limits. If Consultant maintains higher insurance limits than the minimums shown above, City shall be insured for the full available limits of Commercial General and excess or umbrella liability maintained by Consultant, irrespective of whether such limits maintained by Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to City evidences limits of liability lower than those maintained by Consultant.

8. Recordkeeping and "Red Flag" Rules.

- A. Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. Consultant shall also maintain such other records as may be deemed necessary by City to ensure proper accounting of all funds contributed by City to the performance of this Agreement and of the parties' compliance with this Agreement.
- B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by City.
- C. Consultant acknowledges receipt of and agrees to adhere to City's Identity Theft Prevention Program ("Red Flag" rules), a copy of which is attached hereto as **Exhibit D**.

9. Taxes, Licenses and Permits.

- A. Consultant shall procure and maintain a City business license in accordance with Chapter 5.04 NBMC, *Business Licenses and Business and Occupation Tax*, prior to beginning work under this Agreement. Consultant assumes responsibility for and ensures that all contractors, subcontractors and suppliers shall also obtain a City business license.

- B. Consultant acknowledges that it is responsible for the payment of all charges and taxes applicable to the services performed under this Agreement, including taxes and fees assessed pursuant to Chapters 5.04 and 5.05 NBMC, and Consultant agrees to comply with all applicable laws regarding the reporting of income and maintenance of records, and with all other requirements and obligations imposed pursuant to applicable law. If City does not receive, or is assessed, made liable, or responsible in any manner for such charges or taxes, Consultant shall reimburse and hold City harmless from such costs, including attorneys' fees. Consultant shall also require all contractors, subcontractors and suppliers to pay all charges and taxes in accordance with this Section 9.
- C. In the event Consultant fails to pay any taxes, assessments, penalties, or fees imposed by City or any other governmental body, then Consultant authorizes City to deduct and withhold and/or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. This provision shall, at a minimum, apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from Consultant's total compensation.

- 10. Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the term of this Agreement. City shall have the right to conduct an audit of Consultant's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of Consultant.
- 11. Termination.** This Agreement may be terminated by City at any time upon thirty (30) days' written notice; provided, that if Consultant's insurance coverage is canceled for any reason, City shall have the right to terminate this Agreement as provided in Subsection 7(D) herein.
- 12. Discrimination Prohibited.** Consultant shall not discriminate against any employee, applicant for employment, or any person seeking Consultant's services under this Agreement on the basis of race, color, religion, creed, sex, age, national origin, marital status, or presence of any sensory, mental, or physical handicap.
- 13. Assignment and Subcontract.** Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of City.
- 14. Entire Agreement; Modification.** This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Proposed changes which are mutually agreed upon shall be incorporated by written amendments or addenda signed by both parties.
- 15. Notices.** Notices required hereunder shall be delivered via certified U.S. mail to the addresses below:

To the City of North Bend:	David Miller, City Administrator City of North Bend 920 SE Cedar Falls Way North Bend, Washington 98045 Phone: (425) 888-1211
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To Consultant:

Todd Chase
Principal/Economist
FCS Group
7525 166th Ave NE, Ste D-215
Redmond, WA 98052
Phone: 425-867-1802

16. Security. Consultant will protect confidential information provided by City pursuant to this Agreement by adhering to policies governing physical, electronic, and managerial safeguards against unauthorized access to an unauthorized disclosure of confidential information. Security standards shall meet or exceed Washington State Office of the Chief Information Officer Standard No. 141.10. Only authorized employees of Consultant shall have access to City's confidential information, and only for the purposes specified in this Agreement. Consultant shall, within 24 hours of discovery, report to City any use, access to or disclosure of City's confidential information not previously authorized by City.

17. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be properly and exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its costs of suit, including attorneys' fees and expert witness fees.

BY THEIR SIGNATURES BELOW, the authorized agents of the parties enter into this Agreement as of the day and year first written above.

CITY OF NORTH BEND

FCS GROUP

By: _____
Mary Miller, Mayor

By: _____

Printed Name: _____

Title: _____

Attest/Authenticated:

Susie Oppedal, City Clerk

Approved As To Form:

Kendra Rosenberg, City Attorney

**EXHIBIT A:
SCOPE OF SERVICES**

Consultant shall furnish and perform services including, but not limited to, the description of work and deliverable items indicated below.

1. **Project Title:** Development Impact Fee Update
2. **Supervising Staff:** Consultant's main point of contact at the City will be Rebecca Deming, Community and Economic Development Director, who can be reached at 425-888-7646 or rdeming@northbendwa.gov, or such other personnel as City may designate from time to time.

2. **Description of Work.**

DEVELOPMENT IMPACT FEE UPDATE TASK PLAN

Purpose

The purpose of this assignment is to update the City of North Bend's Bicycle & Pedestrian Impact Fee, Transportation Impact Fee, Park Impact Fee, and Fire Impact Fee. The Impact Fee Capital Project List and new impact fees will be identified to meet the long-range land use growth goals articulated in the *North Bend Comprehensive Plan (Amended 2023)*.

Additionally, the new impact fee methodology shall be designed in a manner that encourages development of middle housing within the City. Per RCW 82.02.050, "impact fees (a) can be imposed for system improvements that are reasonably related to the new development; (b) cannot exceed a proportionate share of the costs of system improvements that are reasonably related to the new development, and (c) should be used for system improvements that will reasonably benefit the new development."

Major Deliverables of this project shall include:

1. Deliverable 1. Impact Fee Requirements and Methods Technical Memorandum to include the proportionate impact fee requirements of RCW 82.02.060(1) (Needs to be Completed by June 15, 2024)
2. Deliverable 2. North Bend Impact Fee Alternatives Analysis and Presentation to include the proportionate impact fee requirements of RCW 82.02.060(1)
3. Deliverable 3. Draft Impact Fee Methodology Report and Procedures to include the proportionate impact fee requirements of RCW 82.02.060(1)
4. Deliverable 4. Adoption of Final Impact Fee Methodology and Procedures and separate report on methodology as it relates to RCW 82.02.060(1) (Needs to be Completed by June 15, 2025)

PROPOSED WORK PLAN

Task 1 – Project Kickoff and Data Collection

Steps to Get There

- 1.1 Set up project and provide monthly invoices with progress reports.
- 1.2 Provide a data needs list to the City in advance of the kickoff meeting. Review data, to be provided electronically by the City. This shall include prior studies and planning documents regarding future growth and development. City shall provide summary and maps depicting current and planned improvements for major city roads, bicycle and pedestrian facilities, parks, police and fire facilities.
- 1.3 Meet remotely with City staff to discuss initial data questions, identify and agree on key policy issues to be addressed, discuss policy objectives, and kickoff the study. Key policy issues to be addressed could include some or all of the following:

Impact Fee Capital Planning Period (20 years)

Priorities for future system improvements.

Funding resource (revenue) assumptions for future system improvements

Creditable vs. Non-Creditable Impact Fee Assumptions for private constructed improvements.

Charging parks impact fees to non-residential developments.

Defensible approaches for calculating existing and future levels of service, including consideration of impact fee subdistricts (e.g., downtown vs. rest of city vs. urban expansion areas).

Approaches for determining capacity added by planned transportation, parks, police and fire capital projects to maintain current levels of service.

Approaches for varying impact fee charges by home size (e.g., square feet, bedrooms, etc.)

Other considerations for reducing impact fees for affordable housing developments.

Deliverables

Monthly invoices with progress reports

Data needs list. The City shall provide the following assumptions early in the study process:

Prior Adopted Impact Fee Methodology and Ordinance.

Relevant studies and planning documents regarding future growth and development.

Current Urbanization Agreements with county and independent utility providers.

System Plans and Capital Cost Estimates, descriptions and maps of planned transportation, parks, police and fire facilities or needs to accommodate growth.

Priorities for future transportation, parks, police and fire facilities (may be refined during the study process).

Existing and Projected Trip Generation Estimates and Level of Service Analysis for signalized intersections in the City.

Existing Level of Service measures for parks and trails (e.g., current and planned acres and linear feet of trails).

Existing Level of Service measures for police and fire (e.g., current square feet of floor area).

Historic financial data depicting how prior capital improvements have been funded.

Current fund balances for impact fees.

Summary of prior five years of new construction activity permitted by the City depicting approved housing development by square feet of floor area and number of dwelling units by dwelling type.

Internal Kickoff meeting #1

Task 2 – Impact Fee Policy Analysis

Steps to Get There

- 2.1 Identify policy options. The policy discussion during the kickoff meeting (Task 1.3) will sensitize us to the City’s policy needs and concerns. We will seek policy solutions that meet the City’s needs while being consistent with state statute.
- 2.2 Summarize findings, methodology alternatives and recommendations in a policy technical memorandum. This memorandum will constitute our advice to the City in the development of the update to the current impact fee methodology and resulting ordinance.
- 2.3 Review policy analysis and preliminary recommendations at an on-site meeting with City staff and jointly determine the policies that will inform the technical analyses.

Deliverables

Policy Issues and Recommendations Technical Memorandum. The memorandum shall include a separate section for transportation, parks, police and fire impact fees, and contents shall include the following:

Purpose

Overview of Relevant WA State Legal Requirements

Background and Current Practice by the City of North Bend

Methodology Options Under Consideration

- Growth Assumptions
- Capital Improvement Assumptions
- Evaluation of Policy Options
- Scaling of Impact Fees by Housing Type

Preliminary Analysis and Recommendations

Task 3 – Technical Analysis

Steps to Get There

- 3.1 Estimate existing and future customer base to determine the quantity of growth to be served by existing and future facilities. This calculation will include growth in both population and employment (to facilitate possible charging of non-residential developments).
- 3.2 Estimate the eligible cost of existing facilities. To the extent that the City has available capacity in its parks system, at least a portion of the cost of that available capacity can be recovered in the impact fee.
- 3.3 Estimate the eligible cost of planned projects. To the extent that planned parks projects will serve new users (rather than cure existing deficiencies), at least a portion of the cost of those projects can be recovered in the impact fee. Any deviations from the existing capital facilities plan element of the City's comprehensive plan will be identified for further action amending that plan.
- 3.4 Calculate the impact fee schedule and funding plan. We will use U. S. Census data on housing occupancy to calculate impact fees for residential land uses. We will use a demand-based residential equivalency to calculate impact fees for non-residential land uses. The funding plan will clarify what funding in addition to impact fees will be needed to complete the capital improvement plan.
- 3.5 Review the technical analysis with City staff at up to two on-site meetings.
- 3.6 Revise analysis after review with City staff.

Deliverables

Analysis spreadsheet

Task 4 – Methodology Report and Communication

Steps to Get There

- 4.1 Deliver draft report. The draft report will document all findings and recommendations related to the calculation of the park impact fee. The City will have an opportunity to review the document and suggest refinements.
- 4.2 Present findings and recommendations. We will distill the draft report to a set of PowerPoint slides and deliver up to three presentations to audiences of the City's choice. For example, one presentation could be to a stakeholder group such as the master builders, and another two presentations could be to the City Council (perhaps once at a work session and once at the public hearing for adoption).
- 4.3 Draft ordinance. Draft the implementing ordinance that would establish the code section and park impact fee methodology. The draft ordinance will be reviewed and finalized by the City attorney. If the methodology includes any deviations from the City's adopted capital facilities plan element of the comprehensive plan, those will be noted for Council action amending the plan.
- 4.4 Deliver final report. The final version will reflect the feedback that was solicited in Task 4.1.

Deliverables

Draft Impact Fee Methodology report and final report

Draft ordinance

Presentation slides and council meeting participation (assumes FCS staff to attend up to 3 in-person meetings)

5. **Deliverable Items.**

Deliverable	Schedule
Deliverable 1. Impact Fee Requirements and Methods Technical Memorandum to include the proportionate impact fee requirements of RCW 82.02.060(1) (Needs to be Completed by June 15, 2024)	Draft Tech. Memo.: May 15, 2024 Final Tech. Memo: June 15, 2024
Deliverable 2. North Bend Impact Fee Alternatives Analysis and Presentation to include the proportionate impact fee requirements of RCW 82.02.060(1)	Draft Tech. Memo.: Aug.15, 2024 Final Tech. Memo: Sept. 15, 2024
Deliverable 3. Draft Impact Fee Methodology Report and Procedures to include the proportionate impact fee requirements of RCW 82.02.060(1)	Draft Tech. Memo.: Nov.15, 2024 Final Tech. Memo: Jan. 15, 2025
Deliverable 4. Adoption of Final Impact Fee Methodology and Procedures and separate report on methodology as it relates to RCW 82.02.060(1) (Needs to be Completed by June 15, 2025)	Draft Report/Pres.: March 15, 2025 Final Report/Pres.: May 15, 2025

**EXHIBIT B:
COMPENSATION**

BUDGET

We propose to perform this scope of work at a cost not to exceed \$99,530. Below is a detailed budget by task and individual:

Estimated Budget by Task and Key Staff

	On	Chase	Wood	Tryon	Admin	Total	Budget
Task Detail	Site	Principal	PC	Sr. Analyst	Support	Hours	Estimate
Task 1: Project Kickoff and Data Collection							
1.1 Set up and manage project.		6	16		4	26	\$5,750
1.2 Request and review data.		6	16	16		38	\$7,850
1.3 Facilitate remote kickoff meeting.		2	4	4		10	\$2,110
<i>Task 1 Subtotal</i>	0	14	36	20	4	74	\$15,710
Task 2: Policy Analysis							
2.1 Identify policy options.		12	16			28	\$7,140
2.2 Summarize policy analysis in memo.		4	32	16	2	54	\$11,050
2.3 Review memo with City staff and assess options.	1	8	8	4		20	\$4,780
<i>Task 2 Subtotal</i>	1	24	56	20	2	102	\$22,970
Task 3: Technical Analysis							
3.1 Estimate existing and future customer base (growth).		4	8			12	\$2,980
3.2 Estimate eligible cost of existing assets.		2	4	8		14	\$2,730
3.3 Estimate eligible cost of planned projects.		4	16	24		44	\$8,500
3.4 Calculate impact fee schedule and funding plan.		6	12	24		42	\$8,190
3.5 Review technical analysis with City staff	1	8	16	12		36	\$7,820
3.6 Revise analysis after review with City staff.		4	8	16		28	\$5,460
<i>Task 3 Subtotal</i>	1	28	64	84	0	176	\$35,680
Task 4: Communication							
4.1 Deliver draft report.		4	24	8		36	\$7,820
4.2 Present findings and recommendations.	3	16	24			40	\$10,120
4.3 Draft ordinance		4	8			12	\$2,980
4.4 Deliver final report.		2	6	4	2	14	\$2,750
<i>Task 4 Subtotal</i>	3	26	62	12	2	102	\$23,670
Labor Total		27,140	49,050	21,080	760		\$98,030
Expenses							\$1,500
Budget Estimate							\$99,530
Cost Summary							
Total Hours		92	218	136	8	454	
Billing Rate		\$295	\$225	\$155	\$95		

Additional meetings and presentation may be added as mutually agreed.

Our normal billing practice is to bill based on time and materials actually expended, not to exceed the total budget.

EXHIBIT C:
TAXPAYER IDENTIFICATION NUMBER

CITY OF NORTH BEND
920 SE Cedar Falls Way
North Bend, WA 98045
Phone: (425) 888-1211
FAX: (425) 831-6200

In order for you to receive reimbursement from the City of North Bend, we must have either a Taxpayer Identification Number or a Social Security Number. The Internal Revenue Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires us to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of North Bend before or along the submittal of the first billing voucher.

Please check the appropriate category:

☐ Corporation ☐ Partnership ☐ Government Agency
☐ Individual/Sole Proprietor ☐ Other (please explain)

TIN#: ____ - ____ - ____

SS#: ____ - ____ - ____

Print Name: _____

Print Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

EXHIBIT D:
CITY OF NORTH BEND
IDENTITY THEFT PREVENTION PROGRAM

I. PROGRAM ADOPTION

The City of North Bend developed this Identity Theft Prevention Program (“Program”) pursuant to the Federal Trade Commission’s Red Flags Rule (“Rule”), which implements Sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. This Program was developed with the oversight and approval of the City’s Finance Director. After consideration of the size and complexity of the City’s operations and account systems, and the nature and scope of the City’s activities, the City Council determined that this Program was appropriate for the City, and therefore approved this Program by the adoption of Ordinance No.1351 on the 21 day of April, 2009.

II. PROGRAM PURPOSE AND DEFINITIONS

- A. Fulfilling Requirements of the Red Flags Rule. Under the Red Flags Rule, every financial institution and creditor is required to establish an identity theft prevention program tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- Identify relevant red flags as defined in the Rule and this Program for new and existing covered accounts, and incorporate those red flags into the Program;
- Detect red flags that have been incorporated into the Program;
- Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- Update the Program periodically to reflect changes in risks to customers or to the safety and soundness of the City from identity theft.

- B. Red Flags Rule Definitions Used in this Program. For the purposes of this Program, the following definitions apply:

“**Account**” means a continuing relationship established by a person with a creditor to obtain a product or service for personal, family, household or business purposes.

“**Covered account**” means:

1. Any account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from identity theft.

“**Creditor**” has the same meaning as defined in Section 701 of the Equal Credit Opportunity Act, 15 U.S.C. 1691a, and includes a person or entity that arranges for the extension, renewal or continuation of credit, including the City.

“**Customer**” means a person or business entity that has a covered account with the City.

“**Financial institution**” means a state or national bank, a state or federal savings and loan association, a mutual savings bank, a state or federal credit union, or any other entity that holds a “transaction account” belonging to a customer.

“Identifying information” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, address, telephone number, social security number, date of birth, government passport number, employer or taxpayer identification number or unique electronic identification number.

“Identity theft” means fraud committed using the identifying information of another person.

“Red flag” means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

“Service provider” means a person or business entity that provides a service directly to the City relating to or in connection with a covered account.

III. IDENTIFICATION OF RED FLAGS

In order to identify relevant red flags, the City shall review and consider the types of covered accounts that it offers and maintains, the methods it provides to open covered accounts, the methods it provides to access its covered accounts, and its previous experiences with identity theft. The City identifies the following red flags, in each of the listed categories:

A. Notification and Warnings from Credit Reporting Agencies – Red Flags.

- Report of fraud accompanying a credit report;
- Notice or report from a credit agency of a credit freeze on a customer or applicant;
- Notice or report from a credit agency of an active duty alert for an applicant; and
- Indication from a credit report of activity that is inconsistent with a customer’s usual pattern or activity.

B. Suspicious Documents – Red Flags.

- Identification document or card that appears to be forged, altered or inauthentic;
- Identification document or card on which a person’s photograph or physical description is not consistent with the person presenting the document;
- Other document with information that is not consistent with existing customer information (such as a person’s signature on a check appears forged); and
- Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information – Red Flags.

- Identifying information presented that is inconsistent with other information the customer provides (such as inconsistent birth dates);
- Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a driver’s license);
- Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- Social security number presented that is the same as one given by another customer;
- An address or phone number presented that is the same as that of another person;

- Failing to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
- Identifying information which is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account – Red Flags.

- Change of address for an account followed by a request to change the account holder's name;
- Payments stop on an otherwise consistently up-to-date account;
- Account used in a way that is not consistent with prior use (such as very high activity);
- Mail sent to the account holder is repeatedly returned as undeliverable;
- Notice to the City that a customer is not receiving mail sent by the City;
- Notice to the City that an account has unauthorized activity;
- Breach in the City's computer system security; and
- Unauthorized access to or use of customer account information.

E. Alerts from Others – Red Flag.

- Notice to the City from a customer, a victim of identity theft, a law enforcement authority or other person that it has opened or is maintaining a fraudulent account for a person engaged in identity theft.

IV. DETECTING RED FLAGS

A. New Accounts. In order to detect any of the red flags identified above associated with the opening of a **new account**, City personnel will take the following steps to obtain and verify the identity of the person opening the account:

- Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- Verify the customer's identity (for instance, review a driver's license or other identification card);
- Review documentation showing the existence of a business entity; and
- Independently contact the customer.

B. Existing Accounts. In order to detect any of the red flags identified above for an **existing account**, City personnel will take the following steps to monitor transactions with an account:

- Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- Verify the validity of requests to change billing addresses; and
- Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event City personnel detect any identified red flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the red flag:

A. Prevent and Mitigate Identity Theft.

- Monitor a covered account for evidence of identity theft;

- Contact the customer with the covered account;
 - Change any passwords or other security codes and devices that permit access to a covered account;
 - Not open a new covered account;
 - Close an existing covered account;
 - Reopen a covered account with a new number;
 - Not attempt to collect payment on a covered account;
 - Notify the Finance Director for determination of the appropriate step(s) to take;
 - Notify law enforcement; or
 - Determine that no response is warranted under the particular circumstances.
- B. Protect Customer Identifying Information. In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City shall take the following steps with respect to its internal operating procedures to protect customer identifying information:
- Secure the City website but provide clear notice that the website is not secure;
 - Undertake complete and secure destruction of paper documents and computer files containing customer information;
 - Make office computers password protected and provide that computer screens lock after a set period of time;
 - Keep offices clear of papers containing customer identifying information;
 - Request only the last 4 digits of social security numbers (if any);
 - Maintain computer virus protection up to date; and
 - Require and keep only the kinds of customer information that are necessary for City purposes.

VI. PROGRAM ADMINISTRATION

- A. Oversight. The Finance Director or other designated city employee at the level of senior management shall be responsible for developing, implementing, and updating the Program.

The Finance Director shall also be responsible for the Program administration, for appropriate training of City staff on the Program, for reviewing the annual staff report required under the Program, as well as any other staff reports regarding the detection of red flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and considering periodic changes to the Program.

- B. Staff Training and Reports. City staff responsible for implementing the Program shall be trained either by or under the direction of the Finance Director in the detection of red flags, and the responsive steps to be taken when a red flag is detected. Additionally, a compliance report shall be provided annually to the Finance Director. The annual compliance report shall at a minimum address the following:
1. The effectiveness of the City's policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
 2. Service provider arrangements;
 3. Significant incidents involving identity theft and the City's response; and
 4. Recommendations for material changes to the Program.

- C. Service Provider Arrangements. In the event the City engages a service provider to perform an activity in connection with one or more covered accounts, the City shall take the following steps to require that the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.
- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the Program and with all instructions and directives issued by the Finance Director relative to the Program; or
 - Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the service provider's identity theft prevention program and will take appropriate action to prevent and mitigate identity theft; and that the service providers agree to report promptly to the City in writing if the service provider in connection with a City covered account detects an incident of actual or attempted identity theft or is unable to resolve one or more red flags that the service provider detects in connection with a covered account.
- D. Customer Identifying Information and Public Disclosure. The identifying information of City customers with covered accounts shall be kept confidential and shall be exempt from public disclosure to the maximum extent authorized by law, including RCW 42.56.230(4). The City Council also finds and determines that public disclosure of the City's specific practices to identity, detect, prevent, and mitigate identify theft may compromise the effectiveness of such practices and hereby direct that, under the Program, knowledge of such specific practices shall be limited to the Finance Director and those City employees and service providers who need to be aware of such practices for the purpose of preventing identity theft.

VII. PROGRAM UPDATES

The Program will be periodically reviewed and updated to reflect changes in risks to customers and to the safety and soundness of the City from identity theft. The Finance Director shall at least annually review the annual compliance report and consider the City's experiences with identity theft, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the City maintains and changes in the City's business arrangements with other entities and service providers. After considering these factors, the Finance Director shall determine whether changes to the Program, including the listing of red flags, are warranted. If warranted, the Finance Director shall present the recommended changes to the City Council for review and approval.



City Council Agenda Bill

SUBJECT:		Agenda Date: March 19, 2024		AB24-032	
Motion Authorizing Middle Housing Grant Agreement with Department of Commerce for Impact Fee Updates		Department/Committee/Individual			
		Mayor Mary Miller			
		City Administrator – David Miller			
		City Attorney – Kendra Rosenberg			
		City Clerk – Susie Oppedal			
		Administrative Services – Lisa Escobar			
		Comm. & Economic Development – Rebecca Deming		X	
		Finance – Martin Chaw			
Cost Impact: N/A	Public Works – Mark Rigos				
Fund Source: N/A					
Timeline: Immediate to June 30, 2025					
Attachments: Contract					
SUMMARY STATEMENT:					
<p>In 2023, City of North Bend staff applied for a Middle Housing Grant through the Department of Commerce. The City applied to revise the impact fee schedules to reflect proportionate impact of new middle housing units consistent with E2SSB 5258. This includes performing financial analysis and studies to evaluate alternative methods of calculating proportionate impacts and impact fee amounts. Impacts Fee review is to include Bicycle & Pedestrian Impact Fees, Transportation Impact Fees, Park Impact Fees, and Fire Impact Fees. Staff may look into adjusting, combining, or adding impact fees as called for through the process and review. We are looking to adjust all impact fees to charge based on unit size instead of only the current single family/multi-family option.</p> <p>This update will implement the Housing Action Plan, Strategy: Adapting to Community Needs, Goal: Ensure infrastructure needs are developed concurrently with new housing, A.2.2: Reassess impact fees to ensure they remain adequate and appropriate source of funding and A.2.3: Consider a rate study to investigate alternative methods for fee structure (by square footage, bedrooms, etc.) to fund service extensions without overburdening small development projects.</p> <p>The maximum grant amount is \$50,000 and requires no matching funds, however the cost to update the fees is estimated at \$100,000. Staff recommends acceptance of the Middle Housing Grant through the Washington State Department of Commerce for \$50,000 funds for the update of City of North Bend impact fees.</p>					
APPLICABLE BRAND GUIDELINES: Consistent delivery of quality basic services, Economic viability/balanced budget, Affordability, and Sustainably managed growth.					
COMMITTEE REVIEW AND RECOMMENDATION: The Finance and Administration Committee reviewed this agreement at its meeting of March 12 th 2024 and recommended placement on the Main Agenda for discussion.					
RECOMMENDED ACTION: MOTION to approve AB24-032, authorizing the Mayor to sign the Middle Housing Grant Agreement with Washington State Department of Commerce, in a final form and content acceptable to the City Attorney.					
RECORD OF COUNCIL ACTION					
<i>Meeting Date</i>		<i>Action</i>		<i>Vote</i>	
March 19, 2024					



Interagency Agreement with

North Bend

through

Growth Management Services

Contract Number:

24-63336-161

For

Middle Housing Grant

Dated:

Date of Execution

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Face Sheet

Contract Number: 24-63336-161

Local Government Division Growth Management Services Middle Housing Grants

1. Contractor North Bend 920 SE Cedar Falls Way North Bend, WA-98027		2. Regional Planner Ted Vanegas Ted.Vanegas@commerce.wa.gov	
3. Contractor Representative Rebecca Deming Community and Economic Development Director 425-888-7646 rdeming@northbendwa.gov		4. COMMERCE Representative Anne Aurelia Fritzel 1011 Plum Street SE Housing Planning Manager Olympia, WA 98504 360-259-5216 Anne.Fritzel@commerce.wa.gov	
5. Contract Amount \$50,000	6. Funding Source Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>		7. Start Date Date of Execution
8. End Date June 30, 2025			
9. Federal Funds (as applicable) N/A		Federal Agency: N/A	
10. Tax ID # N/A		11. SWV # 0018430	
12. UBI # 175 000 595		13. UEI # N/A	
14. Contract Purpose For activities that support the preparation and adoption of policies and/or codes and other measures specific to implement middle housing (RCW 36.70A.030(26)) by applicable statutory deadlines.			
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, and Attachment "B" – Budget.			
FOR CONTRACTOR _____ Mary Miller, Mayor _____ Date		FOR COMMERCE _____ Mark K. Barkley, Assistant Director Local Government Division _____ Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	

Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed \$50,000 (fifty thousand dollars), for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

4. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Contractor upon acceptance of deliverables provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 24-63336-161.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service. Any payment made by COMMERCE

for costs that are determined to be duplicate, in Commerce's sole determination, shall be subject to recapture and may result in suspension or termination of this Contract.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

5. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

8. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget

General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and

- iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a

determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.

- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. **WAIVER**

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Attachment A: Scope of Work

<ul style="list-style-type: none"> Grant Objective: North Bend Impact Fee Update to comply with the requirements of RCW 82.02.060(1) to Encourage Middle Housing. 			
Actions/Steps/ Deliverables	Description	Start Date	End Date
Action 1	Development Impact Fee Requirements and Methods Technical Memorandum	January 1, 2024	June 15, 2024
Step 1.1	Prepare Impact Fee Requirements and Methods Technical Memorandum		
Deliverable 1	Impact Fee Requirements and Methods Technical Memorandum to include the proportionate impact fee requirements of RCW 82.02.060(1)		June 15, 2024
Action 2	North Bend Impact Fee Alternatives Analysis and Presentation	July 1, 2024	January 1, 2025
Step 2.1	Prepare North Bend Impact Fee Alternatives Analysis and Presentation	July 1, 2024	January 1, 2025
Deliverable 2	North Bend Impact Fee Alternatives Analysis to include the proportionate impact fee requirements of RCW 82.02.060(1)		January 1, 2025
Action 3	Draft Impact Fee Methodology Report and Procedures	January 1, 2025	April 1, 2025
Step 3.1	Draft Impact Fee Methodology Report and Procedures	January 1, 2025	April 1, 2025
Deliverable 3	Draft Impact Fee Methodology Report and Procedures to include the proportionate impact fee requirements of RCW 82.02.060(1)		April 1, 2025
Action 4	Final Impact Fee Methodology and Procedures	April 1, 2025	June 15, 2025
Step 4.1	Prepare Final Impact Fee Methodology and Procedures	April 1, 2025	June 15, 2025
Deliverable 4	Adoption of Final Impact Fee Methodology and Procedures and separate report on methodology as it relates to RCW 82.02.060(1)		June 15, 2025

Attachment B: Budget

Grant Objective: North Bend Impact Fee Update to Encourage Middle Housing.		
	Fiscal Year	Commerce Funds
Deliverable 1. Impact Fee Requirements and Methods Technical Memorandum to include the proportionate impact fee requirements of RCW 82.02.060(1)	FY1 – June 15, 2024	\$25,000
Deliverable 2. North Bend Impact Fee Alternatives Analysis and Presentation to include the proportionate impact fee requirements of RCW 82.02.060(1)	FY2 – Jan 1, 2025	\$10,000
Deliverable 3. Draft Impact Fee Methodology Report and Procedures to include the proportionate impact fee requirements of RCW 82.02.060(1)	FY2 – April 1, 2025	\$5,000
Deliverable 4. Adoption of Final Impact Fee Methodology and Procedures and separate report on methodology as it relates to RCW 82.02.060(1)	FY2 – June 15, 2025	\$10,000
Total:		\$50,000

Funds must be invoiced in the appropriate fiscal year (FY1 or FY 2), or they may not be able to be paid. Please be sure to invoice for all FY 1 by June 30, 2024 and FY 2 by June 30, 2025.