

# SULTAN CITY COUNCIL

## AGENDA ITEM COVER SHEET

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ITEM NO: C 5

DATE: January 24, 2008

SUBJECT: Mark Knowles – Professional Services Contract for On-Call Financial Analysis Support

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

### SUMMARY:

The issue before the City Council is authorizing the Mayor to sign an on-call professional services contract with Mark Knowles for financial analysis support (Attachment A).

City staff recommends contracting with Mark Knowles based on his experience with developing capital improvement plans, budget preparation, financial forecast analysis, financial support during labor negotiations, and policy development. Mr. Knowles is the former Finance Director for Mount Vernon where he worked from 1984 to 2003. He retired in 2003. Prior to working for Mount Vernon, Mr. Knowles spent three years as an accounting supervisor for the City of Lynnwood. Mr. Knowles is available to work for the City on an on-call basis. He is familiar with the financial constraints of a small city offering the full range of municipal services. A copy of Mr. Knowles resume is attached to this report.

The State Auditor has recommended that the financial reports be reviewed by someone with the background and knowledge to determine if the reports are reasonable and correct. The following description of work provides an outline of the types of tasks that may be assigned to Mr. Knowles:

- Research and analyze statistical reports and other available information. Conduct special studies and analyze and prepare a variety of special reports as required or requested .
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- Advise and assist the City and/or department administration regarding financial policies and procedures.
- Assist in the preparation of the City's six-year Capital Improvement Plan and Capital Budget. Perform complex operating or capital budget analyses such as project expenditure/ revenue trends; reconcile data between different sources;

and prepare analysis and narrative in support of program plans and budget requests.

- Assist in the preparation of the City's budget: develop budget procedures, worksheets and forms; analyze budget submittals and provide recommendations addressing reasonableness and accuracy; follow-up with departmental staff for additional information; provide general and technical assistance and training to departments.

The term of the agreement is from January 28, 2008 through January 31, 2009. Section 7 – Termination and Breach of the agreement provides that either party can terminate the agreement with ten (10) days written notice.

This is not an exclusive contract. The City may also contract with other providers for financial analysis services.

FISCAL IMPACT:

Based on the Auditor's recommendation, the 2008 budget includes funding for financial review services.

ALTERNATIVES:

1. Approve the on-call professional services contract with Mark Knowles  
Approval of the contract will allow the City to have financial analysis support on an on-call, as-needed basis. The contract will require monitoring General Fund revenues and expenses to ensure adequate funding exists to support the contract.
2. Do not approved the on-call professional services contract with Mark Knowles  
A decision not to support the contract will require existing staff to reallocate their time and resources to perform the functions outlined in the scope of work and will not provide an outside independent review as recommended by the State Auditor.
3. Do not approve the on-call professional services contract with Mark Knowles and direct staff to areas of concern.

RECOMMENDED ACTION:

Authorize the Mayor to sign an on-call professional services agreement for financial analysis support with Mark Knowles.

RECOMMENDED MOTION:

MOVE TO AUTHORIZE THE MAYOR TO SIGN AN ON-CALL PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL ANALYSIS SUPPORT WITH MARK KNOWLES AS PART OF THE CONSENT AGENDA

ATTACHMENT

Attachment A: Proposed professional services contract with Mark Knowles

## **AGREEMENT FOR SERVICES BETWEEN THE CITY OF SULTAN AND MARK KNOWLES**

THIS AGREEMENT, is made this 28th day of January 2008 by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal Corporation, and Mark Knowles (hereinafter referred to as "Service Provider"), doing business at

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WHEREAS, Service Provider is in the business of providing certain services specified herein; and

WHEREAS, the City desires to contract with Service Provider for the provision of financial analysis services, and Service Provider agrees to contract with the City for same;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

### **Section One – Description of Work**

The City will assign work to the Service Provider on an on-call basis. The City and the Service Provider will agree to specific project tasks, timelines, and due dates in writing before work will commence on any specific project. The following description of work provides an outline of the types of tasks that may be assigned the Service Provider:

- Research and analyze statistical reports and other available information. Conduct special studies and analyze and prepare a variety of special reports as required or requested
- Advise and assist City and/or department administration regarding financial policies and procedures.
- 
- Assist in the preparation of the City's six-year Capital Improvement plan and Capital Budget. Perform complex operating or capital budget analyses such as project expenditure/ revenue trends; reconcile data between different sources; and prepare analysis and narrative in support of program plans and budget requests.
- Assist in the preparation of the City's budget: develop budget procedures, worksheets and forms; analyze budget submittals and provide recommendations addressing reasonableness and accuracy; follow-up with departmental staff for additional information; provide general and technical assistance and training to departments.

- Provide support to the labor relations function by gathering and analyzing salary and benefit data; calculate cost for proposals, including classification and compensation studies.

## **Section Two – Payment**

The City will pay the Service Provider the total sum of fifty dollars/hour (\$50.00/hour) for the work to be performed under this Agreement upon satisfactory completion of all services and requirements specified herein. At no time will the total amount of the contract exceed Ten thousand dollars (\$10,000).

Invoices covering services performed by the Service Provider will be submitted to the City within ten (10) days following the completion of services. The City shall make payment within four (4) weeks after the submittal of each approved invoice. Such invoice shall detail the hours worked, a description of the tasks performed, and shall separate all charges for clerical work and reimbursable expenses.

## **Section Three - Liability**

Service Provider shall be responsible for the safety of its employees, agents and subcontractors in the performance of the work hereunder and shall take all protections reasonably necessary for that purpose. All work shall be done at Service Provider's own risk, shall comply with all federal, state and municipal laws, ordinances, rules and regulations that are now or may in the future become applicable to Service Provider and Service Provider shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

## **Section Four – Evaluation**

Although the Service Provider shall have the authority to control and direct the services and details of the work, the work must also meet the approval of the City and shall be subject to the City's general right of inspection and supervision.

## **Section Five – Insurance**

Insurance is not required for this contract.

## **Section Six – Indemnification**

The Service Provider shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the 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 the Service Provider and the City, its officers, officials, employees, and volunteers, the Service Provider's liability hereunder shall be only to the extent of the Service Provider's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Service Provider'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.

### **Section Seven – Termination & Breach**

The City shall have the option to terminate this Agreement at any time. Termination shall be effective upon ten (10) days written notice to the Service Provider.

In the event of termination, the City shall only be responsible to pay for all services satisfactorily performed by Service Provider to the effective date of termination, as described in the final invoice to the City. The City Manager shall make the final determination about what services have been satisfactorily performed.

All costs incurred by the City due to Service Provider's failure to comply with the terms and conditions of this Agreement shall be the responsibility of the Service Provider. The City may deduct its costs from any payments due to the Service Provider.

### **Section Eight - Entire Agreement**

The written provisions and terms of this Agreement, together with all documents attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement.

### **Section Nine - Modifications**

No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Service Provider.

### **Section Ten – Written Notice**

All communications regarding this Agreement shall be sent to the parties at the addresses listed below, unless notified to the contrary. Any written notice hereunder

shall become effective as of the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

**Section Eleven – Governing Law – Disputes**

This Agreement shall be governed by the laws of the State of Washington, and the jurisdiction of any dispute under this Agreement shall be the Superior Court of Snohomish County, Washington.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the day and year above written.

**CITY OF SULTAN**

By: \_\_\_\_\_  
Carolyn Eslick, Mayor

**SERVICE PROVIDER**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**CITY CONTACT**

\_\_\_\_\_  
City of Sultan  
319 Main Street, Suite 200  
Sultan, WA 98294  
Phone: 360-793-2231  
Fax: 360-734-3344

**SERVICE PROVIDER CONTACT**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone:  
Fax:

**ATTEST/AUTHENTICATED**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Office of the City Attorney

## ATTACHMENT B

4020 Ridge Way , Mount Vernon, Wa•(360)424-6644•msknowles1@verizon.net

# Mark S. Knowles

## Experience

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4/1968 – 2/1972 U.S. Navy

### Personnelman Second Class (E-5)

- Counsel Active Duty Personnel
  - Maintain Personnel Records
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9/1977 – 8/1981 University of Washington

Seattle, WA

### Accountant – Student Grants and Loans

- Maintained and reconciled accounting records
  - Supervised 3 accounting assistants
  - Prepared periodic financial records
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9/1981 – 7/1984 City of Lynnwood

Lynnwood, WA

### Accounting Supervisor

- Supervised and directed 5 accounting technicians
  - Maintained and reconciled all accounting records in accordance with GAAP
  - Assisted in the preparation of annual operating budgets
    - Prepared revenue forecasts
    - Prepared labor cost estimates
  - Prepared annual financial reports
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8/1984-9/2003 City of Mount Vernon

Mount Vernon, WA

### Finance Director

- Supervised, trained and directed 1 accountant and 6 accounting technicians
  - Prepared annual budgets
  - Designed and coordinated annual Capital Improvement Plans
  - Designed and prepared annual operating budgets
  - Negotiated Labor Agreements (Costed proposals and developed strategies)
  - Provided technical information and advice to elected officials
  - Worked closely with department heads on all accounting/budgeting matters
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## Education

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1/1972-1/1974 Diablo Valley College

Pleasant Hill, CA

No Degree – English Major

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4/1974-6/1976 Queens College

Flushing, New York

**BS - Accounting**

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## References

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References are available on request.