

**AGREEMENT FOR
JOB CLASSIFICATION AND COMPENSATION SERVICES**

THIS AGREEMENT is made and entered by and between the CITY OF PRINCETON, a municipal corporation of the State of Minnesota (hereinafter "CITY"), and FLAHERTY & HOOD, P.A. (hereinafter "FIRM").

W I T N E S S E T H

WHEREAS, CITY has a need for job classification and compensation services; and

WHEREAS, FIRM submitted a proposal to provide job classification and compensation services to CITY; and

WHEREAS, at a duly called regular meeting of the City Council held on September 23, 2021, the CITY determined that FIRM be engaged to perform job classification and compensation services and directing and authorizing the Mayor and City Administrator to negotiate and execute an agreement between FIRM and CITY setting forth the terms and conditions of the engagement.

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

1. **APPOINTMENT:** CITY appoints FIRM to perform job classification and compensation services.
2. **AUTHORIZED CITY CONTACT PERSONS:** The City Administrator or his/her designated representative shall be the primary contact person between CITY and FIRM to request job classification and compensation services from FIRM.
3. **JOB CLASSIFICATION AND COMPENSATION SERVICES TO BE PROVIDED.** FIRM will provide job classification and compensation services to CITY upon request of the City Council or City Administrator or the City Council's or City Administrator's designated representative(s) and as described in number 4 of this Agreement.
4. **COMPENSATION, BILLING, AND PAYMENT PROCEDURES:**
 - 4.1. **Rates.** FIRM will bill and CITY will pay the following:
 - 4.1.1. **Base Services.** A total cost not to exceed \$20,500 for job classification and compensation services that will be billed at an hourly rate of \$125 per hour, subject to not-to-exceed costs for each service, as follows on the next page:

Service	Total Not- to Exceed Cost
Compensation Policy	\$250
Position Analysis	\$2,750
Position Classification Evaluation	\$3,000
Labor Market Employers Criteria and Selection Compensation Analysis – Salaries Compensation Analysis – Benefits	\$8,750
Classification & Compensation System & Compliance Testing	\$4,000
System Presentation, Implementation & Training	\$1,750

4.1.2. Other City-Wide Services. Flaherty & Hood, P.A. can provide the following additional services for the following at the express direction of CITY:

Service	Total Cost
Prepare PowerPoint and present to incumbent employees explaining the Job Classification and Compensation Study	\$750
Interview using position questionnaires for incumbent employees addressing the skill, effort, responsibility, and working conditions of their position	\$3,000
Draft new job descriptions for all positions in new format	\$3,000
Establish supplemental variable pay system, such as performance pay, merit pay, and/or skills or competency pay	\$2,000
Compile, review, and analyze organizational or market compensation data other than data not identified in Outline for Proposal	\$600 per category
Job Evaluation Point Review Process, including draft process, forms, execution guide, and template responses for requested reviews by employees of job descriptions and/or job evaluation ratings. Advise on handling specific reviews.	\$750

4.1.3. Additional Job Classifications or Same Job Classifications after Study is Complete. Flaherty & Hood, P.A. can provide the following additional job

classifications or same job classifications after study is complete services for the following at the express direction of CITY:

Service	Total Cost
Draft, review, and analyze position questionnaires for incumbent employee, if any, and management addressing the skill, effort, responsibility, and working conditions of the position, and draft new or updated job description and establish points after initial job classification pointed	\$800
Establish points and provide analysis for job pointing	\$350
Compile, review, and analyze market compensation data, including wages, wage structure, and health insurance benefits	\$800
Compile, review, and analyze market compensation data other than wages, wage structure, and health insurance contributions	\$600 per category

4.2 Billing Procedure. CITY shall pay FIRM for the services rendered by FIRM to CITY as follows:

1. For Base Services, fees incurred by Flaherty & Hood, P.A. billed as incurred on a monthly basis.
2. For Other Services, as follows:
 - a. One-half of cost of respective service being billed after Flaherty & Hood, P.A. submits first bill, but no sooner than commencement of providing the respective service
 - b. Other one-half of cost of respective service after completion of respective service following Flaherty & Hood, P.A. submitting bill
3. For Additional Job Classifications or Same Job Classifications after Study is Complete, total cost after completion of respective service following Flaherty & Hood, P.A. submitting bill

Any services not described above or other labor relations, employment law, and human resources services are available to City of Princeton and will be billed monthly as incurred at the significantly reduced Coalition of Greater Minnesota Cities hourly rate of \$135 per hour for the first 25 hours of service in fiscal year 2021-2022 and \$155 per hour for all hours over 25.

CITY will pay the bill of FIRM within thirty (30) days or less of its receipt by CITY.

4.3 Disputes. In the event that CITY disputes any aspect of FIRM's bill, the City Administrator shall contact Brandon M. Fitzsimmons at FIRM stating the nature of the dispute. The parties pledge their mutual good faith in resolving any disputes.

4.4 Interest. Because CITY will be paying FIRM's bills within thirty (30) days from their receipt, no interest will be charged. If CITY determines that it will be necessary to deviate from that payment schedule, then CITY will notify FIRM thereof. An interest rate of eight (8) percent per annum will be charged to CITY if CITY does not pay any bill of FIRM within thirty (30) days or less of its receipt by CITY with such arrangement subject to change as may be mutually agreed between the parties.

5 TERM AND TERMINATION: This Agreement shall commence following execution of the parties and shall continue in effect until such time as either party terminates this Agreement. This Agreement may be terminated by CITY at any time or by FIRM upon 60 days written notice, provided however, that FIRM's termination of this Agreement shall be governed by Rule 1.16 of the Minnesota Rules of Professional Conduct. CITY shall pay FIRM for the work performed prior to the effective date of termination based upon the payment terms of this Agreement.

6 NOTICE: Any notices required under the provisions of this Agreement shall be in writing and sufficiently given if delivered in person or sent by U.S. mail, postage prepaid, as follows:

6.2 Notice to CITY shall be mailed or delivered to City Administrator, City of PRINCETON, 705 N 2nd St, Princeton, Minnesota, 55371

6.3 Notice to FIRM shall be delivered to Brandon M. Fitzsimmons, Flaherty & Hood, P.A., 525 Park Street, Suite 470, St. Paul, Minnesota, 55103.

7 STATUS OF FIRM AS INDEPENDENT CONTRACTOR: FIRM shall be an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for in this Agreement. No statement contained in this Agreement shall be construed so as to find FIRM to be an employee of CITY. FIRM shall not be entitled to any of the rights, privileges, or benefits of employees of CITY, including but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims. FIRM acknowledges and agrees that no withholding or deduction for state or federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due FIRM and that it is FIRM's sole obligation to comply with the applicable provisions of all federal and state tax laws. FIRM shall at all times be free to exercise initiative, judgment, and discretion as to how to best perform or provide services identified herein. FIRM is responsible for hiring sufficient workers to perform the services/duties required by this

Agreement, withholding their taxes, and paying all other employment tax obligations on their behalf.

- 8 DATA PRACTICES: All data collected, created, received, maintained, or disseminated for any purposes by the activities of FIRM because of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended, the Minnesota Rules implementing such act now in force or as adopted, as well as federal regulations on data privacy. This paragraph does not create a duty or any obligation on the part of FIRM to provide access to public data to the public for inspection or otherwise if the public data are available from CITY.
- 9 AUDITS: Pursuant to Minn. Stat. §§ 6.551 and 16C.05, subd. 5, FIRM agrees that CITY, the State Auditor, or any of their duly authorized representatives, may examine any books, records, documents, and the accounting practices and procedures of FIRM. If either CITY or FIRM requests that the State Auditor conduct such an examination, then the requesting party is liable for the costs of the examination.
- 10 INDEMNIFICATION AND INSURANCE: FIRM agrees it will defend, indemnify, and hold harmless CITY, its officers, and employees against any and all liability, loss, costs, damages, and expenses which CITY, its officers, or employees may hereafter sustain, incur, or be required to pay arising out of FIRM's negligence related to performance of this Agreement. FIRM further agrees that in order to protect itself as well as CITY under the indemnity provision set forth above, it will at all times during the term of this Agreement keep in force lawyers professional liability insurance with a coverage amount of not less than \$1,500,000 per claim.

CITY agrees it will defend, indemnify, and hold harmless FIRM, its officers, and employees against any and all liability, loss, costs, damages, and expenses which FIRM, its officers, or employees may hereafter sustain, incur, or be required to pay arising out of CITY's negligence related to performance of this Agreement.

Nothing herein shall be deemed a waiver by CITY of the limitations on liability set forth in Minnesota Statutes, Section 466.04, as amended from time to time, and CITY's obligation to indemnify, hold harmless, and defend FIRM shall be limited by the limitations on liability set forth in Minnesota Statutes, Section 466.04. FIRM and CITY specifically agree and acknowledge that the above described indemnification and hold harmless provisions shall survive the termination of this agreement.

- 11 ATTORNEY-CLIENT PRIVILEGE: FIRM is authorized to utilize email without encryption to transmit and receive confidential client information and to use cellular telephones and other wireless devices for the same purposes. CITY specifically acknowledges that it understands the confidentiality risks associated with inadvertent interception.

- 12 FORCE MAJEURE: Each party shall be excused from any breach of this Agreement which is proximately caused by war, strike, act of God, or other similar circumstance normally deemed outside the control of well-managed businesses.
- 13 GOVERNING LAW: This Agreement is made pursuant to, and shall be construed in accordance with, the laws of the State of Minnesota.
- 14 HEADINGS AND CAPTIONS: Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement.
- 15 ENTIRE AGREEMENT: This Agreement contains the entire Agreement for job classification and compensation services between the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.
- 16 MODIFICATION: Any modification of the provisions of this Agreement shall be reduced to writing and signed by the parties hereto.
- 17 SEVERABILITY IN EVENT OF PARTIAL INVALIDITY: If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.
- 18 CITY APPROVAL: The City Council has approved FIRM's fees and expenses to provide job classification and compensation services for CITY during the term of this Agreement. The signing of this Agreement will be ministerial and the FIRM is authorized to commence performing services following execution of this Agreement.
- 19 AGREEMENT NOT ASSIGNABLE. Except relating to conflicts of interest, the rights and obligations created by this Agreement may not be assigned by either party.
- 20 COUNTERPARTS. This Agreement may be executed in counterparts. Facsimile, photocopied, or scanned signatures shall be considered as valid signatures as of the date thereof, although the original signature pages shall thereafter be appended to this Agreement.
- 21 WORK PRODUCTS. All records, information, materials, and other work products prepared and developed in connection with the provision of services pursuant to this Agreement shall become the property of the CITY.

IN WITNESS WHEREOF, CITY and FIRM have executed this Agreement and it is effective on the latest date affixed to the signatures hereto.

CITY OF PRINCETON

FLAHERTY & HOOD, P.A.

By: _____
Its Mayor

By: _____
Brandon M. Fitzsimmons

By: _____
Its City Administrator

Date: _____

Date: _____