



Proposed by

**Leah Davis, CPA**

Partner | Abdo

leah.davis@abdosolutions.com

**P** 507.524.2347

July 02, 2024

SERVICE PROPOSAL FOR

# City of St. Francis

23340 Cree St NW, St. Francis, Minnesota 55070

[abdosolutions.com](http://abdosolutions.com) | Mankato, MN - Edina, MN - Scottsdale, AZ



# Executive Summary

Kate Thunstrom, City Administrator  
City of St. Francis  
23340 Cree St NW  
St. Francis, Minnesota 55070

Dear Kate,

Thank you for the opportunity to submit this proposal to the City of St. Francis (the City) to partner with your team on a Position Classification and Compensation Study. Based on our experience with the type of work outlined in the proposal and our in-depth understanding of government employers, I'm confident the scope of services outlined in this proposal will address your needs and provide you the compensation updates and clarity you need to confidently attract, retain, and motivate employees well into the future.

Based upon our communications, we understand that you're seeking a partner to help you:

- Evaluate your existing position classification and compensation program, last updated in 2007, to ensure that it continues to effectively attract, motivate, and retain the high performing talent that you need to serve your community.
- Ensure that your City's compensation program is compliant with Minnesota Local Government Pay Equity and that it is competitive within your established peer group and competitors.
- That every employee is appropriately recognized and compensated for their contributions to the organization.

Abdo's success has been driven by utilizing staff that is experienced and well trained in governmental planning, human resources, payroll, compensation systems, and operations. We understand that there are certain factors that are most important to the City in the selection of a consultant. Factors like our attention to detail, overall project approach, collaboration with City staff and the quality of work and outcomes are just a few of the ways we set ourselves apart in our abilities and value to your City.

Our approach to this project is to engage with City staff to ensure we have an exceptional understanding of the project, each individual's role in the project, overall expectations and needs, as well as exceptions to standard operations. Throughout the project, there will be periodic meetings with City staff to share information, solicit input and provide updates. Based on our experience, we will structure each phase of the project to emphasize efficiencies and streamline processes. By spending time on the front-end evaluating positions, goals, objectives and needed deliverables, the end product for the City will be one that provides analysis and recommendations for marketable, consistent, compliant, and forward-thinking programs and policies.

**INVOLVEMENT OF CITY PERSONNEL**- No matter the experience of our Abdo team, we recognize that the most critical goals and deliverables of any project relies on collaborating with the right people at the right time. Your internal staff and leadership are key to truly understanding your organization and developing solution that works in "real life."

**ABILITY TO SUCCESSFULLY COMPLETE ALL REQUIREMENTS** - A component of our mission statement is a philosophy that we will assist clients in reaching their maximum potential by open communications and teamwork. This means we will do the following for you:

- Present to you a clear project plan
- Use portal technology to share and collaborate documents
- Provide an environment that solicits and welcomes ideas and strategies from the city team
- Present recommendations in clear, concise and non-technical terms to all members of the city team
- Collaborate with city team and software vendor to ensure alignment
- Return phone calls and emails promptly

**EXPERIENCE WITH SIMILAR PROJECTS** - We believe our experience with similar projects and our expertise in governmental planning, human resources, payroll, compensation systems, and process and planning is greater than any other CPA or advisory Firm in Minnesota.

**UNDERSTANDING OF THE PROJECT AND ABILITY OF THE FIRM TO COMPLETE THE EXPECTED SCOPE OR WORK ON SCHEDULE AND WITHIN BUDGET** - Abdo is committed to a team environment that gives us the ability to complete projects on time and on budget. We leverage our staff to ensure the work is being completed by the appropriate individuals and reviewed by a partner of Abdo. We understand the parameters and expectations of this project and will complete the expected scope of work on schedule and within budget.

**ACCOMPLISHING PROJECT OBJECTIVES** - Our approach to a project is heavily dependent on communication and technology. We believe that listening to your needs, concerns and challenges is of the utmost importance for a successful project. Our experience and knowledge of government operations allows us to provide independent assessment and recommendations, lighting a clear path forward for City leadership. We use portal technology to securely share and collaborate on documents. This allows us to expedite our work, provide answers to staff questions quickly and communicate instantaneously with City staff.

We look forward to meeting with you to discuss our proposal and appreciate this opportunity to present Abdo for your consideration.

**Abdo**



**Leah Davis, CPA**

Partner | Abdo



# The Abdo Difference

At Abdo, we believe in the importance of relationships. This core value is the foundation of our approach to delivering the best experience and outcomes for our clients. It's inherent in our people and the way we work. We know that for our clients to be successful, it takes more than having experience and credentials – we take the time to listen to their unique motivations, goals, and challenges. We truly care about their journey and where their path leads.

Our process is built around a deep commitment to every client:

*We light the path forward so you can proceed with **confidence**.*

*We're the **partner** you can trust to help you along the way.*

*We're the **catalyst** who empowers you to reach your goals.*





# Human Resources Consulting

OUR HUMAN RESOURCES EXPERTS PROVIDE:



## Customized HR Support

*As-needed support to handle challenging and confusing HR issues, including workplace investigations. We can help translate the rules into real-world solutions.*



## HR Assessment Projects

*Gain clarity of your entire organization through documentation of your current HR policies and procedures, identification of potential risk areas, and recommendations for long-term process and program improvements to help you move forward with confidence.*



## HR & Payroll Automation

*Leverage technology and automation to keep your organization compliant while minimizing the paper shuffle so you can free up your time to focus on your people.*



## Employee Handbook Development and Manager/Employee Training

*Provide your leaders and employees with clear and predictable policies that work in real life and are tailored to your unique organization.*



## Benefit Plan Value Analysis, Enrollment Support, and Employee Education

*Ensure your employee benefit investment is built around what your employees value most and receives the recognition and appreciation it deserves.*



## Affordable Care Act (ACA) Compliance

*Leverage the extensive knowledge of our HR professionals to ensure your organization is proactive and compliant in all areas of ACA planning, management, and reporting.*



## Performance Management Program Development and Training

*Develop customized and intentional programs to motivate, measure, and reward the key behaviors that drive real organizational success.*



## Manager and Leadership Training

*Design customized and comprehensive training curriculum for leaders and employees to support a culture of continuous development and learning. Training topics may include, but are not limited to, sexual harassment, disability accommodation, effective communication and feedback, goal-setting and performance management, change management, and constructive conflict.*



## Total Compensation Program and Marketability Analysis

*Ensure confidence that your compensation program is competitive, motivating, and focused on retaining your highest performers.*

# Your Team

Based on our ability to provide the requested services, our shared core values, and an understanding of your unique needs, we have the resources, knowledge, people and services to light the path forward for your city.

We have assembled a team with relevant experience who are committed to working with you to ensure success. Each team member is briefly profiled below and full professional biographies can be found in Appendix C.



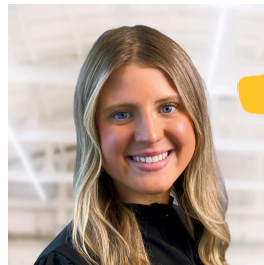
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**MICHAEL MOONEY, SPHR, SHRM-CP**

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*michael.mooney@abdosolutions.com*  
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**HALIE JOHNSON**

**Associate**  
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**P** 507.304.6848





# Project Plan and Timeline

A clear implementation process coupled with frequent and consistent updates is critical to any successful project. The project scope and timeline below includes update meetings with the City leadership and other staff, designed to provide project updates, solicit comments, review progress, and address any challenges.

Timeline assumes project kick-off beginning in August 2024.

## PROJECT PHASE

## TIMELINE

### Introduction and Project Orientation

The first step to this project is to review and analyze data provided by the City. This includes the existing job descriptions and current compensation model, and any other data the City has available. After this review, we will meet with the City and department leadership to discuss overall project expectations, define strategic goals and outcomes, identify current compensation challenges, and discuss project timelines. This is also an opportunity for the City and department leadership to ask for clarification on the project and address any questions or concerns they may have.

**DAY 1 - 15**  
*depending on City availability*

### Job Description Review

Beginning with the existing City job descriptions, we will conduct a detailed review of your current position duties and overall City organizational structure. During this review, all job descriptions will be reviewed for compliance with the Fair Labor Standards Act (FLSA) and the Americans with Disabilities Act (ADA/ADAA).

**DAY 16 - 30**

### Position Classification Evaluation

Using the City's job descriptions and our Abdo Position Scoring Methodology (see Appendix D for more information on the Abdo Methodology), which we have utilized for over 10 years, and in collaboration with City leadership, we will evaluate and assign position point values for each City position and organize positions into hierarchical order, based on point assignment.

**DAY 31 - 40**

### Labor Market Employers Criteria and Selection

Our team will solicit input from City and department leadership to develop a list of comparable organizations, based on size, geography, and City services, to be used in the wage analysis.

### Compensation Analysis

Abdo will complete a full wage/compensation market survey, utilizing the 2024 Minnesota Local Government Salary and Benefit Survey put out by the League of Minnesota Cities as well as direct wage data surveys and private sector compensation resources, where applicable.

**DAY 41 - 60**

Abdo will also solicit information related to a variety of non-cash benefits, as instructed. This analysis will include recommendations for maintaining marketable wage scales into future years as well as evaluating approaches to longevity and/or performance recognition.



PROJECT PHASE	TIMELINE
<p><b>Classification &amp; Compensation System Development and Compliance Testing</b></p> <p>The overall structure of the compensation study and system structure will be reviewed and updated according to the compensation and performance management philosophies of the City and will include identification of current or potential pay compression, pay equity, and collective bargaining issues, if any.</p> <p>Once the proposed structure is completed, all data will be tested for compliance with Federal and State regulations, including Minnesota Local Government Pay Equity reporting for all municipal entities.</p>	<p><b>DAY 61 - 80</b></p>
<p><b>Final Documents and System Presentation</b></p> <p>All documents will be reviewed with the City Management team in draft format before finalization and distribution. Final reporting will include comprehensive project findings, recommendations, description of overall methodology utilized in the project, data analysis, detailed implementation cost estimates, and recommended implementation process.</p> <p>The City will be provided with all tools and resources to administer and maintain the proposed compensation model into the future. Once approved by the City Management team, report findings and recommendations will be presented, in person or virtually, to the City Council for review and discussion.</p>	<p><b>DAY 81 - 100</b> <i>depending on City availability</i></p>
<p><b>Implementation and System Administration Training/Support</b></p> <p>Our team will develop and lead a customized compensation system implementation and maintenance program for leadership and applicable staff. Training will include suggestions for appropriately awarding step increases and documented plan administration best practices.</p>	
<p><b>Develop Position Reclassification and Review Policy</b></p> <p>We are also available to work with internal leadership to develop a formal position review and reclassification request policy to consistently evaluate future requests for position scoring or compensation changes.</p> <p><b>Post Contract Support Services</b></p> <p>On an as needed basis, Abdo will be available to review new or significantly altered job descriptions, including determination of points and salary ranges for the position, as well as provide documentation support for future pay equity reporting to the Minnesota Department of Management.</p>	<p><i>Optional &amp; as directed by the City</i></p>

# Value

## SERVICE & PRICE GUARANTEE

Our work is guaranteed to the complete satisfaction of the client. Upon payment of your invoices, we will judge you have been satisfied, however, we welcome further conversation if, in any way, you feel your expectations are not being met.

Please understand, however, that the price we have quoted considers and relies upon the following:

- The information you agree to provide is on time and complete to the degree indicated in our agreement.
- Your key management, finance, or human resources team members don't change during our service period.
- No undisclosed or newly arising complexities, claims, or significant transactions, occur that impact our service period. This includes emergence of
- yet unspecified revisions to any prior period work that would need to occur before we can perform our agreed services.
- No new tax, regulatory, or other reporting requirements are introduced between now and the end of our service period.

A full scope of services, including estimated hourly charges, is listed on the following pages.

## ADDITIONAL SERVICES

Should you request services in addition to the Contracted Services, we will provide you with proposed fees for the services to be provided. You shall be required to sign a written or electronic confirmation of your request for additional services prior to implementation.

## PAYMENT TERMS

Initial invoice will be sent within 10 days of the execution of this agreement.

Contract Execution - 30% of Contract

Delivery of 1st Draft Report - 40% of Contract

Delivery of Final Report to Council - Remaining Balance

**This quote is valid for ninety (90) days following the proposal submission deadline.**



## POST CONTRACT SUPPORT SERVICES OPTIONS

### ***Annual Market Study Updates***

In the future, should you wish to conduct annual updates of relevant position market data, Abdo provides options for clients to perform a full market wage analysis, provide recommendations for updates to your existing compensation structure to ensure ongoing alignment with your compensation philosophy, and provide a cost analysis of any suggested changes.

### ***Individual Position Reclassification/Scoring***

As you change or add new positions within your city, Abdo is always available to assist with job description development and review, position reclassification and scoring, and to provide documentation support for future Minnesota pay equity reporting.

### ***Formal Position Reclassification and Review Policy Development***

Since positions change over time and employees may occasionally request classification/scoring reviews, make sure your City has a clear, consistent and manageable process and policy in place to handle changes and requests. Abdo will help you draft a customized policy to ensure that you're proactively addressing and administering your position classification maintenance as you move forward.

### ***Tri-Annual Minnesota Local Government Pay Equity Reporting***

There aren't many things that cause more stress and uncertainty than complex compliance requirements, especially when they're only required once every three years. Let Abdo take the worry out of your upcoming reporting year and help you ensure accurate, consistent, and timely reporting for your tri-annual Minnesota local government pay equity reporting compliance.

COMPREHENSIVE COMPENSATION & CLASSIFICATION STUDY		PROPOSED INVESTMENT
<b>Job Description Review:</b> assumes up to 20 individual positions		\$1,900
<b>Position Classification Evaluation:</b> assumes up to 20 individual positions and a virtual Abdo Milestone Meeting with City leadership to review scoring.		\$2,300
<b>Market Compensation and Benefit Analysis:</b> assumes up to 20 individual positions		\$4,000
<b>Classification &amp; Compensation System Development and Recommendations:</b> Includes a virtual Abdo Milestone Meeting with City leadership to review market findings, assess cost to implement estimates, and customize compensation plan design.		\$3,500
<b>Minnesota Pay Equity Testing:</b> current and proposed pay systems		\$1,000
<b>Final Documents &amp; Report of Findings and Recommendations:</b> includes up to 2 report draft revisions, up to 2 meetings with City leadership and in-person presentation to Council and related travel time/mileage		\$3,600
<b>TOTAL PROJECT INVESTMENT (LUMP SUM NOT TO EXCEED)</b>		<b>\$16,300</b>
OPTIONAL POST CONTRACT SERVICES		PROPOSED INVESTMENT
Annual Market Study Updates - up to 2 years		\$4,500
Individual Position Reclassification/Scoring Updates		\$325/position with current description
Develop Formal Position Reclassification and Review Policy		\$1,900
Tri-Annual Minnesota Local Government Pay Equity Reporting		\$ 2,000

# Value-Added Services

When you partner with Abdo, you get access to our entire catalog of services. Below is a selection of the additional solutions that we believe could be of great value to your city. If you have need of these services, please reach out to us so we can help! Our additional service offerings can be found at [www.abdosolutions.com](http://www.abdosolutions.com).

## **ABDO FINANCIAL SOLUTIONS INTERIM ACCOUNTING SERVICES**

With a staff of experienced professionals, we develop and implement creative solutions for entities of all shapes and sizes. We rely on a proven process to provide your **city** with the very best quality and value in financial management solutions. Our outsourced accounting and financial services include:

- Monthly accounting
- Temporary accounting help
- Finance Director outsourcing

## **HR & PAYROLL SERVICES**

**We help employers better support their most valuable resource...their people.** Having clear and consistent HR practices that best suit the individuality of your city is key, even more so in today's tight employment environment. And because the right policies are just as important, we lend our HR expertise to help you strategically plan for your future.

We help cities with:

- Employee management and development
- Regulatory compliance
- Benefits analysis and administration, including the Affordable Care Act (ACA) and workers' compensation
- HR/Payroll software implementation and management
- Advisory services such as specialized labor cost analysis, compensation studies, and HR process development and implementation

## **LONG TERM PLANNING**

**How will you fund your city's Capital Improvement Plan?** Part of establishing a capital improvement program is determining how to pay for it. Will you issue debt? Raise property taxes? Reorganize your capital budget? A long-term plan can help you answer these questions and more. Depending on your needs, our approach to long term planning may include:

- Preparing projections to gauge future revenue streams
- Conducting a debt management study
- Reviewing reserve and fund balance policies
- Implementing plans to achieve pay-as-you-go financing

# Why Partner with Abdo

## LIGHTING THE PATH FORWARD

In a world of ever-changing complexity, people need caring, empathetic and highly skilled professionals they can depend on to provide the right advice and solutions for them. Our clients seek growth and success, but also want security and confidence. For over 60 years, Abdo has provided insights for our clients to help them achieve their goals.

That same innovative spirit is also what has earned us the title of being one of the top accounting firms in the Midwest. Abdo is a better firm today because of the efforts we made to support a culture driven by our core values of growth, relationships, and teamwork.

With this foundation in place, we have successfully helped our clients identify and break through their own growth barriers. Every challenge they face is an opportunity for us to listen, understand and empower them with solutions and a plan to achieve their goals. It's fulfilling to serve as the catalyst that helps them overcome obstacles that block their progress.

When it comes to our working relationships, we are partners. We're confidants. We're the catalyst that sparks true business growth, providing guidance through every challenge and opportunity along the way.

## ABOUT ABDO

Abdo is a full-service accounting and consulting firm that delivers customized strategies and innovative solutions to help businesses, governments and nonprofits succeed. With more than 250 professionals and over six decades of experience, Abdo is ranked as one of the top accounting firms in the Midwest. It is a licensed CPA firm with offices located in Minneapolis and Mankato, Minnesota, and Scottsdale, AZ. Abdo's commitment to its clients is to gain in-depth knowledge of their unique challenges, opportunities, and needs. Through this consultative approach, Abdo partners with organization leaders to light the path forward to confidently reach their goals.

*"Listening to our clients' needs, understanding their challenges, and adjusting how we work together is key to our partnership with the people we serve."*

-- Steve McDonald, CPA | Managing Partner

# What Our Clients Say

## CLIENT REFERENCES

One of the things we enjoy most about our work is developing long-term relationships with our clients and watching their city thrive as we help them to evolve and grow. Our clients listed below serve as a sample of references of those we partner with for their Position Classification and Compensation Study services. Additional references are available upon request.



### CITY OF OTSEGO

**Adam Flaherty**  
City Administrator  
P 763.235.3161

### CITY OF ELKO NEW MARKET

**Tom Terry**  
City Administrator  
P 952.461.2777

### CITY OF CARVER

**Brent Mareck**  
City Administrator  
P 952.448.8737

### CITY OF ROSEVILLE

**Rebecca Olson**  
Assistant City Manager  
P 651.792.7446





# *An ongoing quest to be better, together*

## **OUR COMMITMENT TO DIVERSITY, EQUITY, & INCLUSION**

At Abdo, we recognize the need for continuous improvement in diversity, equity and inclusion initiatives throughout our firm and the accounting industry at large. We believe that when we understand each other better, we grow better together.

Over the past year, we have increased our efforts to promote diversity, equity, and inclusion within our firm and community through implicit/unconscious bias, anti-harassment, and interview training. Our Diversity, Equity, and Inclusion Committee continues to implement new ideas, projects, and initiatives to move our firm forward through learning, understanding, and improving on these issues.

We continue to increase our number of women at the highest leadership level. We strive for continued growth in our ability to attract and retain women and people of color within our firm and we are working towards greater equity and diversity for all within our industry.

In order to build a more inclusive work environment, the firm has implemented diversity and inclusion education through partnering with expert speakers and trainers. Please let us know if you have any ideas on how we can improve diversity, equity, and inclusion at Abdo.



**61%**

*of our employees  
are female*



**51%**

*of our  
management level  
employees are  
female*



**23%**

*of our interns this  
year were people  
of color*

## ABDO DIVERSE SCHOLARSHIP & INTERNSHIP PROGRAM

Abdo was a proud co-sponsor of the AICPA PCPS George Willie Ethnically Diverse Student Scholarship & Internship, which allows 10 ethnically diverse accounting students the opportunity to be awarded internships with a firm that has been selected by the AICPA. Upon conclusion of this successful partnership, we were inspired to create our own DEI Sponsorship program, annually awarding a rising diverse accounting student a scholarship & internship.



# DEI Initiatives



## PARTNERSHIP WITH NABA

Abdo is proud to sponsor the Minnesota State University, Mankato Chapter of NABA (National Association of Black Accountants) Inc. NABA is committed to increasing the number of African Americans in the accounting and finance professions and to promoting their success. As a firm, we are invested in not only increasing diversity within our organization but support diversifying the industry as a whole. We are committed to providing guidance and mentorship along with financial support to this organization.



## GREATER MANKATO GROWTH DEI COLLABORATIVE

Abdo is a founding sponsor and member of Greater Mankato Growth's (the Mankato region's chamber of commerce) DEI Collaborative. This collaborative was formed to discuss what we could do as individuals, organizations, and the community to increase diversity and make our community a welcoming one. Together, we explored our individual biases, developed action plans to make a difference within our organization, and pledged to continue the work to make our community inclusive.

## CEO ACTION PLEDGE

We are proud signatories of the CEO Action Pledge, a pledge signed by CEOs from different sectors, sizes, and geographical area to support more inclusive workplaces. As part of this pledge, we work toward goals including DEI education and recruiting. We promise to have the difficult conversations and make our firm, and this industry—one that better reflects the communities we live and work.



## YWCA

We are committed to the continued support and advancement of women in our firm and in our communities. One of the ways we do this is through a partnership with YWCA Mankato, an organization whose mission is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all. We are proud sponsors of the Elizabeth Kearney Women's Leadership Program, Women's Leadership Conference, and Women of Distinction event.



## COMMUNITY INVOLVEMENT

Every year, we come together as a firm to participate in what we call a "Day of Action." This gives us an opportunity to give back to organizations within our communities that support underserved populations. You can catch us volunteering at a food shelf, building houses, or helping at an After School Program. In addition, the firm pledges 24 hours of VTO (Volunteer Time Off), for each employee to volunteer at the nonprofit of their choosing. We truly believe we are better, together.



# Appendix A

AGREEMENT FOR SERVICES



# Agreement for Services

THIS AGREEMENT, is made and entered into on July 02, 2024, by and between the City of St. Francis, Minnesota (hereinafter referred to as the "Client"), and Abdo LLP (hereinafter referred to as "Abdo" or the "Contractor").

## Articles of Agreement & Recitals

WHEREAS, the Client is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the Contractor understands and agrees that:

The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees related to its own operations and arising out of the Contractor's activities;

The Contractor shall have no authority to bind the Client for the performance of any services or to obligate the Client. The Contractor is not an agent, servant, or employee of the Client and shall not make any such representations or hold itself out as such;

The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the Client at all times.

The Contractor may make recommendations and/or perform services on behalf of the Client but the Client is responsible for all final management decisions and for setting and administering any organizational policies, procedures, or other guidance that result in the services being performed. Further, with respect to the payroll services that are being provided, the Client is responsible for all originating documents (i.e. salary or hourly wage amounts, hours worked, benefits, premium pay policies, etc.) that affect payroll processing, and the Client will review and approve the payroll before or after its processed. The Contractor will not hold or have access to any Client funds as part of the services being provided.

The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals and agreement set forth above are hereby incorporated into this Agreement.

## ARTICLE II

### LIABILITY INSURANCE

**Section 1 Liability Insurance:** The Contractor shall obtain professional liability insurance, at its expense with liability insurance coverage minimums in the amount of \$2,000,000, which Contractor must secure and maintain during the term of this Agreement. Contractor will provide the Client with proof of liability insurance coverage under this Agreement in writing upon request by the Client.

### ARTICLE III

#### DURATION OF THE AGREEMENT

**Section 1 Duration:** This Agreement shall commence upon date of execution by all parties and shall remain in effect for the duration of the consulting engagement, unless earlier terminated as provided in Subsections 2 or 3.

**Section 2 Client's Termination Rights:** Client may terminate this Agreement for its convenience by providing written notice of termination to Contractor. Upon any termination by Client for convenience, Client shall be obligated to pay for all services provided by Contractor through the date of termination set forth in the written notice. In addition, Client may terminate this Agreement for Contractor's failure to perform its services in accordance with the terms of this Agreement (termination for "cause") by providing Contractor written notice of intent to terminate that sets forth in detail the reasons for cause to terminate, which written notice shall afford Contractor a reasonable period of time of not less than ten (10) business days to cure the stated grounds for termination to the reasonable satisfaction of Client. In the event of Client's termination of the Agreement for cause, Client shall be obligated to pay for all services provided by Contractor through the date of termination.

**Section 3 Contractor's Termination Rights:** Contractor may terminate this Agreement upon thirty (30) days written notice to the Client in the event the Client does not pay Contractor compensation as required under Article 5, Section 9 within fifteen (15) days after invoice is received by the Client. In the event of non-payment within thirty (30) days, Contractor shall give the Client an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days after the Client's receipt of the notice to remit such payment, prior to giving a notice of termination. Contractor can also terminate the Agreement with sixty (60) days written notice.

### ARTICLE IV

#### GENERAL

**Section 1 Authorized Client Agent:** The Client's authorized agent for the purpose of administration of this Agreement is the City Manager or designee. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

**Section 2 Amendments:** No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

**Section 3 Assignability:** The Contractor's rights and obligations under this Agreement are not assignable or transferable, but the Client's rights and obligations may be assigned to any successor entity upon ten (10) days notice.



## ARTICLE IV (CONTINUED)

### GENERAL (CONTINUED)

**Section 4 Data:** Any data or materials, including, but not limited to, reports, studies, photographs, negatives, or any and all other documents prepared by the Contractor or its outside consultants in the performance of the Contractor's obligations under this Agreement shall be the exclusive property of the Client, and any such data and materials shall be remitted to the Client by the Contractor upon completion, expiration, or termination of this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor and its outside consultants in accordance with applicable federal, state and local laws. Further, Contractor will have access to data collected or maintained by the Client to the extent necessary to perform Contractor's obligations under this Agreement. Contractor agrees to maintain all data obtained from the Client in the same manner as the Client is required under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 or other applicable law (hereinafter referred to as the "Act"). Contractor will not release or disclose the contents of data classified as not public to any person except at the written direction of the Client. Upon receipt of a request to obtain and/or review data as defined in the Act, Contractor will immediately notify the Client. The Client shall provide written direction to Contractor regarding the request within a reasonable time, not to exceed fifteen (15) days. The Client agrees to indemnify, hold harmless and defend Contractor for any liability, expense, cost, damages, claim, and action, including attorneys' fees, arising out of or related to Contractor's complying with the Client's direction. Subject to the aforementioned, Contractor agrees to defend and indemnify the Client from any claim, liability, damage or loss asserted against the Client as a result of Contractor's failure to comply with the requirements of the Act. Upon termination and/or completion of this Agreement, Contractor agrees to return all data to the Client, as requested by the Client.

**Section 5 Data Accuracy and Prompt Delivery:** Client understands, acknowledges and agrees that Contractor's performance of services under this Agreement is dependent on Client promptly providing Contractor with accurate data, documents, and other information pertinent to the subject consulting engagement. Client shall provide Contractor access to data, documents and other information requested by Contractor in accordance with the project schedule mutually agreed to by Client and Contractor. Contractor also represents and warrants that said data, documents and information shall be reliable and accurate to the best of Client's knowledge and agrees that Contractor shall be entitled to rely on the accuracy of the same in the performance of its services under this Agreement. Contractor agrees to promptly notify Client if it identifies any obvious errors or inaccuracies in the data provided by Client.

Client agrees to indemnify and hold harmless Contractor from and against any liability, expense, cost, damages, claim and action arising out of or relating to any errors, inaccuracies, or omissions in the data, documents and other information provided by Client to Contractor pursuant to this Agreement. Further, in the event of any delay on the part of Client to provide to Contractor required data, documents or other information or the identification of any errors, inaccuracies, or omissions in the data, documents or other information provided by Client, Contractor shall be entitled to an equitable adjustment of the schedule and compensation for the performance of its services resulting from said delay or need to address any errors, inaccuracies, or omissions in the data, documents or other information provided by Client.

**Section 6 No Legal Advice:** Client understands, acknowledges and agrees that the consulting services provided by Contractor under this Agreement do not include or constitute legal advice and that Contractor is not undertaking to provide Client legal advice in connection with the consulting engagement hereunder. Client further understands, acknowledges and agrees that the subject matter of this engagement, including regulatory compliance, implicates complex legal issues requiring assessment and advice from competent legal counsel. Client shall be responsible for engaging and/or consulting with legal counsel of its choosing to assess and advise Client regarding the propriety and legality of any recommendations, guidance or advice of Contractor arising from or relating to Contractor's performance of its services under this Agreement. Client agrees to indemnify, hold harmless and defend Contractor from and against any liability, expense, cost, damages, claim and action, including attorneys' fees and costs, arising from or relating to Client's payroll or other human resources policies and/or practices both prior to, during and following Contractor's provision of services under this Agreement, including, but not limited to, any claims by current or former employees of Client challenging the propriety or legality of said practices.

**ARTICLE IV (CONTINUED)****GENERAL (CONTINUED)**

**Section 7 Entire Agreement:** This Agreement is the entire agreement between the Client and the Contractor and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

**Section 8 Severability:** All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein and such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 9 Contractor Fiscal Decision Waiver:** Contractor is responsible for providing the Client with timely and accurate human resource recommendations and information that allows the Client the ability to make final human resource decisions. Contractor will provide final human resource recommendations, but Contractor is not responsible for the final decisions made regarding human resource matters and Client shall indemnify and hold Contractor harmless from the same.

**Section 10 Client Employment of Contractor's Employees:** The Client acknowledges and agrees that Contractor's workforce, including employees assigned to staff the engagement provided for under this Agreement, constitutes an important and vital aspect of Contractor's business. In recognition of the foregoing and the harm that Contractor will suffer in the event of the loss of one or more of its employees, the Client agrees that during the Term of this Agreement and for a period of six (6) months following the termination of this Agreement for any reason (the "Restrictive Time Period") the Client shall not, directly or indirectly, on behalf of itself or any person, firm, corporation, association or other entity, (a) recruit, solicit, or assist anyone else in the recruitment or solicitation of, any of Contractor's employees to terminate their employment with Contractor and to become employed by or otherwise engaged with or by the Client in any capacity independent of Contractor; (b) hire or engage any Contractor employee; or (c) otherwise encourage or induce any of Contractor's employees to terminate their employment with Contractor (collectively the "Contractor Employee Restrictive Covenant").

Notwithstanding the foregoing, Contractor may (but shall not be obligated to) consent to the Client's recruitment, solicitation, employment or other engagement of a Contractor employee otherwise prohibited by this paragraph provided that (a) the Client discloses to Contractor in writing its desire to recruit, solicit, employ or otherwise engage the Contractor employee independent of Contractor before engaging with the Contractor employee regarding any such potential relationship; (b) the Client agrees to pay Contractor a Restrictive Covenant Exception Fee (as hereafter defined) in the event the Contractor employee becomes employed by or otherwise engaged with the Client independent of Contractor; and (c) Contractor provides written consent to the Client to engage with the Contractor employee regarding any such relationship. For purposes of this Agreement, the Restrictive Covenant Exception Fee shall be the greater of: (i) 200% of the annual contracted cost of Contractor's services under this Agreement in addition to the annual contracted cost paid or due Contractor hereunder; or (ii) 200% of the fees paid or due Contractor for services provided under this Agreement during the twelve (12) month period immediately prior to the termination of this Agreement or, in the event the Agreement has not been terminated, during the twelve (12) month period immediately prior to Contractor's provision of written consent to the Client to engage in the recruitment, solicitation, employment or other engagement of a Contractor employee otherwise prohibited by this paragraph.

## ARTICLE IV (CONTINUED)

### GENERAL (CONTINUED)

**Section 11 Client Employment of Contractor's Employees (Continued):** In the event Contractor is unwilling to consent to the Client's recruitment, solicitation, employment, or other engagement of a Contractor employee otherwise prohibited by this paragraph and/or agree on the Client's payment of a Restrictive Covenant Exception Fee, then the Contractor Employee Restrictive Covenant shall remain in full force and effect. If the Client breaches or threatens to breach the Contractor Employee Restrictive Covenant, Contractor shall be entitled to injunctive and other equitable relief from a court of competent jurisdiction restraining the Client's breach of said covenant in addition to such other remedies as may be available to Contractor in law and equity, as well as the recovery from Client of Contractor's reasonable attorneys' fees and costs incurred in any such legal action. The Client also acknowledges, understands, and agrees that although the harm Contractor will suffer as a result of the Client's breach of the Contractor Employee Restrictive Covenant cannot be or is very difficult to accurately estimate, the sum which is the greater of (i) 200% of the average annual fees paid by the Client to Contractor for services under this Agreement during the three-year period preceding the breach, or (b) 200% of the employee's average annual compensation during the three-year period preceding the breach represents and constitutes a reasonable estimation of the damages to Contractor caused by Client's breach (the "Liquidated Damages Amount"). Therefore, at its sole election, Contractor may elect to enforce and compel the Client's compliance with the Contractor Employee Restrictive Covenant or to seek an award from Client of the Liquidated Damages Amount, together with the reasonable attorneys' fees and costs incurred by Contractor in connection with any legal action to obtain such relief.

**Section 12 Compensation:** The parties agree that the Contractor shall be paid compensation for the services provided hereunder, based on the fees indicated in the proposed client investment schedule and under the attached scope of services. Additional fees will not be incurred without prior approval of the Client.

Initial invoice for anticipated first month fees will be sent within 10 days of the execution of this Agreement. Monthly installment fees will be invoiced throughout the remainder of this Agreement. If the Agreement is for an hourly fee basis, invoices will be sent monthly.

**Section 13 Additional Services:** Should the Client request additional services in addition to the Contracted Services, the Contractor will provide the Client with proposed fees for the additional services to be provided. The Client shall provide a written or electronic confirmation prior to the proposed services implementation.

**Section 14 Outside Contractors:** It shall be the responsibility of Contractor to compensate any other outside consultants retained or hired by Contractor to fulfill its obligations under this Agreement and shall be responsible for their work and Contractor, by using outside contractors, shall not be relieved of its obligations under this Agreement.

## ARTICLE IV (CONTINUED)

### LIMITATION OF LIABILITY

**Section 15 Disputes:** If any dispute arises between Abdo and the Client under this Agreement, the dispute shall first be submitted to mediation. The costs of mediation shall be shared equally by the parties. All disputes between Abdo and the Client arising out of this Agreement which cannot be settled directly or through mediation shall be resolved through binding arbitration in Mankato, Minnesota in accordance with the rules for resolution of commercial disputes then in effect of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction thereof. It is further agreed that the arbitrator may, in its sole discretion, award attorneys' fees and costs to the prevailing party.

**Section 16 Limitation of Liability:** Abdo's entire liability, and the Client's exclusive remedy, for Abdo's performance or non-performance under this Agreement shall be for Abdo to reimburse the Client the total charges for related services provided related to the engagement during the previous twelve months. NEITHER PARTY WILL, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS, SAVINGS OR REVENUES WHICH THE CLIENT OR ABDO MAY INCUR AS A RESULT OF EITHER PARTY'S FAILURE TO PERFORM ANY TERM OR CONDITION OF THIS AGREEMENT (EVEN IF IT HAS BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES). The Client shall indemnify Abdo against, and hold it harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including reasonable attorney's fees and costs) arising out of or relating to Client's negligent performance under this Agreement. The Client's obligations under the preceding sentence shall survive termination of this Agreement.



# Appendix B

AGREEMENT FOR THE PROVISION OF  
PROFESSIONAL SERVICES





# Agreement for the Provision of Professional Services

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

**City of St. Francis**

23340 Cree St NW  
St. Francis, Minnesota 55070



SIGNATURE

Kate Thunstrom

**Abdo, LLP**

100 Warren Street, Suite 600  
Mankato, Minnesota 56001

A handwritten signature in cursive script that reads "Leah Davis".

**Leah Davis, CPA**

Partner | Abdo

July 02, 2024



# Appendix C

TEAM BIOS





# Leah Davis

CPA

Partner, HR and Payroll Services

leah.davis@abdosolutions.com

Direct Line 507.524.2347

Leah joined Abdo in 2016 and leads the Firm's HR and Payroll Advisory practice. She spends her time helping employers find creative ways to overcome their most pressing HR and payroll challenges. As an active CPA and after owning and operating an outsourced HR and payroll consulting business for nearly a decade, Leah has worked with employers across all industries. She also has several years of experience in public accounting, focusing on business tax and financial institutions. This variety of experiences equip Leah with a unique perspective on the complex HR, financial, regulatory, and strategic planning issues that public and private employers face every day.

## EDUCATION

- Bachelor of Science in Accounting and Business Administration, Minnesota State University, Mankato
- Continuing professional education

## PROFESSIONAL MEMBERSHIPS

- American Institute of Certified Public Accountants (AICPA)
- Minnesota Society of Certified Public Accountants (MNCPA)
- Society for Human Resource Management (SHRM)
- National Public Employer Labor Relations Association (NPELRA)

## QUALIFICATIONS

- Human Resources management, consulting, and compliance, including a focus on leveraging technology to maximize employee experience and streamline administrative workflows and compliance
- HR and leadership team coaching and training, focused on strategic though leadership and building technical and practical skills to improve overall performance and operational effectiveness
- Employee Benefit Plan Administration and Analysis, including Affordable Care Act (ACA) compliance, benefit workflow optimization, and evaluation of benefit plan design options to evaluate costs and maximize employee value recognition
- Employee Incentive and Compensation Plan Development, including public sector position classification and compensation plan design and total compensation analysis
- Complex State and Federal employment tax and regulatory compliance consulting, including FLSA wage and hour analysis and tax agency amendments and negotiations



# Michael Mooney

## SPHR, SHRM-CP

Senior Associate

[michael.mooney@abdosolutions.com](mailto:michael.mooney@abdosolutions.com)

Direct Line 952715.3043

Michael joined the Firm in 2022. He brings over 5 years of experience working closely with business leaders, managers, and employees in a wide variety of HR Functions. He is passionate about utilizing HR technology and data to support growing businesses.

### EDUCATION

- Bachelor of Science in Management with HR Emphasis, North Dakota State University

### PROFESSIONAL MEMBERSHIPS

- Society for Human Resource Management

### QUALIFICATIONS

- Human Resources management & process development
- HRIS implementation, system utilization, and process improvement
- Compensation and benefits plan design and management
- Manager coaching
- Full cycle recruiting and interview training
- Certified DiSC Workplace Profile facilitator
- Employee engagement, development, performance management and retention
- Experience in banking and multi-family housing industries



# Halie Johnson

Associate

halie.johnson@abdosolutions.com

Direct Line 507.304.6848

Halie joined the Firm as an intern in the Firm's government department. Following her internship, Halie started full-time in the Firm's non-profit advisory and HR/Payroll departments. Halie has prior work experience in customer service in a variety of industries. Halie enjoys working with others and helping clients reach goals and success.

## EDUCATION

- Bachelor Degree in Corporate Finance, Minnesota State University, Mankato
  - *Minor in Accounting*
  - *Graduated Summa Cum Laude*
  - *Dean's List*

## QUALIFICATIONS

- 1 year of experience in governmental auditing



# Appendix D

ABDO POSITION SCORING  
METHODOLOGY





# Abdo Position Scoring Methodology



As part of our position analysis and classification, positions will be scored using a plan adapted from from the method used by the State of Minnesota. The model assigned each position a score in the following categories (adapted from the State of Minnesota 2009 Hay Manual): Know-How, Problem Solving, Accountability, and Special Conditions. The following information provides a summary of factors and considerations used to apply this classification method.

**Know-How** represents the knowledge, skills and abilities an employee needs to be successful in a particular job. The Hay evaluation method places the greatest emphasis on Know-How. Know-How is defined as an expert skill, information or body of knowledge that imparts an ability to cause a desired result. The Know-How category is the most heavily weighted category. If a position is more easily learned, the position will point toward the lower end of the scale.

Know-How category is further divided into three parts: Depth and Breadth of Job-Specific Knowledge (aka Technical and Specialized Know-How and Job-Specific Knowledge); Integrating Know-How (aka Managerial Breadth or Know-How); and Human Relation Skills (aka Human Relations Know-How). A number is assigned for total Know-How points by making several separate choices for each of the three elements described and an overall assessment.

- **Job-Specific Knowledge** includes the position's requirements for knowledge and skills related to practices, procedures, specialized techniques and professional disciplines. It also includes basic and job-specific supervisory and managerial KSAs, when appropriate. This aspect of Know-How does not make distinctions among differently-sized managerial jobs nor does it include human relation skills. It is important to remember that this element measures the requirements of the position, not the qualifications of an incumbent.
- **Integrating Know-How** considers the need to integrate and manage progressively more diverse functions and is used to rank managerial breadth and scope, from similar to very different functions. When required, basic and job-specific supervisory and managerial knowledge, skills and abilities are included in the Job-Specific part of a Know-How rating. The overall size of an organization directly influences the number of managerial breadth categories, because the organizational size often reflects requirements for increased managerial complexity and diversity.
- **Human Relation Skills** is the third element of a job's Know-How rating. It is the active, practicing interpersonal skills typically required for productive working relationships to work with, or through, others inside and/or outside of the organization to get work accomplished. It assumes that each job requires a foundation of basic human relations skills. To be effective, an employee must typically be proficient at the highest level of Human Relations Skill regularly required for the position.

**Problem Solving** is the process of working through details of a problem to reach a solution. Problem solving may include mathematical or systematic operations and can be a gauge of an individual's critical thinking skills. Problem Solving measures the intensity of the mental process that uses Know-How to: (1) identify, (2) define, and (3) resolve problems. It is a percentage of Know-How, reflecting the fact that "you think with what you know." This is true of even the most creative work. Ideas are put together from something already there. The raw material of any thinking is knowledge of facts, principles and means.

- **Context** includes the influences or environment that limit or guide decision-making such as rules, instructions, procedures, standards, policies, principles from fields of science and academic disciplines. Positions are guided by organizational, departmental or functional goals, policies, objectives and practices circumscribed by procedures and instructions. In general, policies describe the "what" of a subject matter, procedures detail the steps needed to follow through on a policy (i.e., how, where, when, by whom) and instructions outline the specific aspects of how to perform the tasks, such as the operation of a machine or how to select the appropriate letters to use in particular situations.
- **Thinking Challenge** includes the nature of the problems encountered and the mental processes used to resolve the problems. The scale ranges from simple problems to very complex issues, with the premise that simple issues recur regularly in the same form and after a while are resolved by rote or instinct, but very difficult issues require substantial thinking and deliberation. The types of situations encountered and the processes involved in identifying, defining or resolving related problems are considered. Thinking Challenge reflects the degree of difficulty in finding improvements and adapting to changes.

**Accountability** does not mean being responsible for getting one's own work done. Rather, it reflects responsibility for actions and their consequences and the measured effect of the job on end results for the organization. Accountability includes three factors: Freedom to Act/Empowerment, Magnitude, and Job Impact.

- **Freedom to Act/Empowerment** involves the degree of personal or procedural control or guidance exercised over the position. For example, what constraints are put on an employee in this job? How closely supervised is the position? What kinds of decisions are made higher up in the organization?
- **Magnitude** is the portion of the total organization encompassed by the position's primary purpose. It's most typically indicated by the general dollar size of the area(s) most directly affected by the job, i.e., the resources over which the position has control or influence. A variety of factors are considered such as size of budget the employee is responsible for, what degree of influence is held and is this person a decision maker.
- **Job Impact** is considered to be indirect (indirect or contributory) or direct and measurable (shared or primary). It involves the way in which the position's actions affect end results in the agency. For example, how does the employee influence the business - directly or indirectly? Does the employee provide advisory or interpretive services for others to use in making decisions? Is the job an information-recording one? Does it provide a necessary service with a relatively small effect on the business of the agency? "Contributory" and "primary" are, by far, the most frequently used options."

**Special Conditions** consider the physical effort, environmental conditions, hazard exposure, and sensory attention demands that an employee is commonly subject to in the position. For example, two positions may be assigned identical points in all other areas but the position that is regularly required to work in extreme outdoor conditions (i.e. heat or extreme cold) would receive additional points for these factors.