



Next Ord: 2111-26
Next Res: 1173-26

CITY COUNCIL STUDY SESSION AGENDA

January 7, 2026

6:00 PM

Sedro-Woolley Municipal Building

Council Chambers

325 Metcalf Street

- a. **Call to Order**
- b. **Pledge of Allegiance**
- c. **Roll Call**
- d. **Introduction of Special Guests and Presentation**
- e. **Unfinished Business**
- f. **New Business**
 - 1. Appointment of Mayor Pro Tempore
 - 2. Council Goals Submittal Template Briefing
 - 3. City Council Governance Handbook - Council Committees
 - 4. Professional Service Contract - Azavar - Sales Tax Audit

g. Public Comments

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment' until 4:30pm the day before the meeting.

h. Closed Session

- 1. To Discuss a Collective Bargaining Agreement

i. Adjournment

Next Meeting - Regular City Council - January 14, 2026

Council Committee - To Be Determined

The City of Sedro-Woolley complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, limited English proficiency, age, disability, or sex. The City of Sedro-Woolley doesn't exclude people or treat them differently because of race, color, national origin, limited English proficiency, age, disability, or sex.

The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or

service animal by a person with a disability.

Join Zoom Meeting:

<https://zoom.us/j/91786850179?pwd=Vys0Y29XalZmQTRmemJBM2txVDIUQT09>

or dial by location at:

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

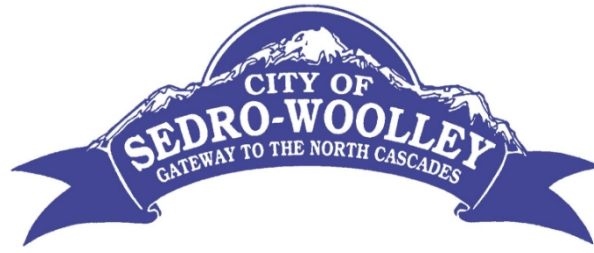
+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 917 8685 0179

Passcode: 091845



City Council Agenda Item

Agenda Item No.: f.1.

Date: January 7, 2026

From: Julia Johnson, Mayor

Subject: Appointment of Mayor Pro Tempore

RECOMMENDED ACTION:

Motion to appoint _____ to serve as Mayor Pro Tempore for the calendar year 2026.

BACKGROUND/SUMMARY INFORMATION:

The Mayor Pro Tempore serves in a limited role as the Mayor during an absence of the Mayor. The City Council Governance Handbook contains the following language on page 21:

A. Election of Officers and Selection/Operation of Council Committees

1. Election of Officers

Procedures for electing officers are as follows: At the first meeting of the new Council, the members thereof shall appoint a Mayor-pro-tempore. In addition to the powers conferred upon him/her as Mayor-pro-tem, he/she shall continue to have all the rights, privileges and immunities of a member of the Council.

https://cms5.revize.com/revize/cityofsedrowoolley/Governing%20Bodies/Council/Sedro-Woolley_City_Council_Governance_Handbook.pdf

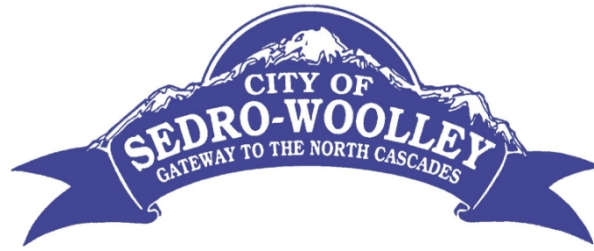
YEAR	MAYOR PRO TEM
2025	Allan Henderson
2024	Sarah Diamond
2023	JoEllen Kesti
2022	Sarah Diamond

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

None



City Council Agenda Item

Agenda Item No.: f.2.

Date: January 7, 2026

From: Charlie Bush, City Administrator

Subject: Council Goals Submittal Template Briefing

RECOMMENDED ACTION:

N/A

BACKGROUND/SUMMARY INFORMATION:

This is a quick update/briefing regarding the attached form. Council members need to submit any proposed goals using the template to Charlie Bush by the close of business on Wednesday, January 14th, 2026. Staff will then add additional information to each submittal prior to the Council's strategic planning session on 1/28 from 4-6 PM in the Council Chambers. The Council will go through a process on 1/28 to reduce the list to ideally 3 to 5 goals that will be implemented into the 2027-2028 budget. All goals submitted will be included in the packet for the 1/28 City Council meeting.

FISCAL IMPACT, IF APPROPRIATE:

N/A

ATTACHMENTS:

1. Council Goals Submittal Template 2026

City of Sedro-Woolley

City Council Goal Submittal Template

January 2026

Return to Charlie Bush at cbush@sedro-woolley.gov by the close of business on Wednesday, January 14th. Contact Charlie with questions by phone at 360-855-9921 or 360-391-4906, or via email.

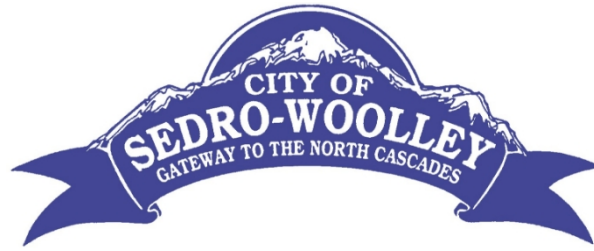
Time Horizon for Goals: While the goals will align to the 2027-2028 budget, some of the most impactful goals by communities build on each other year by year for many years and even decades. Think big, this is an important opportunity for the Council to set impactful strategic direction for the community and organization.

SMART Goals: SMART goals are a framework for setting objectives that are Specific, Measurable, Achievable, Relevant, and Time-bound. While goal statements in our plan (ex. Improve the City's economy) may not be specifically SMART in all cases, the City's strategies and activities in combination with that goal should be SMART. SMART goals are a leading practice in strategic planning.

Submitted by Council member:	
Goal – one sentence, 60,000-foot level (example: Improve the City's economy), this is the most important level of your submittal	
Strategies – one to three sentences each, 30,000-foot level, you could have several strategies under your goal (example of a strategy: Secure funding and complete the	

<p>Jones/John Liner/Trail Road Corridor projects by 2029 to support City and SWIFT Center growth). Number each of your strategies (ex. Strategy 1, Strategy 2, etc.)</p>	
<p>Activities – activities are one paragraph maximum, 15,000-foot level. They fall under each strategy. There can be multiple activities under each strategy. Please label your Activities (example for activities listed under Activity 1: Activity 1.1, Activity 1.2, etc.). Staff will generally be more familiar with activities, and it is OK to leave this area blank for now (example of an activity: Intersection improvements include a new roundabout, bicycle/pedestrian facilities, activated pedestrian crossing signals, and storm drainage improvements, and illumination. Construction began in June 2025.)</p>	

Staff Analysis – For later staff review prior to the retreat, some proposed activities, and possibly strategies, are likely to be added in this phase.



City Council Agenda Item

Agenda Item No.: f.3.

Date: January 7, 2026

From: Julia Johnson, Mayor, Charlie Bush, City Administrator, Kelly Kohnken, Finance Director / City Clerk

Subject: City Council Governance Handbook - Council Committees

RECOMMENDED ACTION:

Motion to bring back a revised version of the City Council Governance Handbook to include revisions to the Council Committee section to include a City Council Committee of the Whole in place of the current Council Committees.

BACKGROUND/SUMMARY INFORMATION:

The City Council Governance Handbook was last updated on September 27, 2023. The handbook includes the Council Committees, Public Safety, Finance and Information Technology, Strategic Planning, Public Works, and Planning and Business Development.

The committees are intended to enhance communication between the council and the executive branch (Mayor and City Administrator) in the development of significant public policy action items. Committee members develop and maintain a deeper level of knowledge on matters of a technical nature which might affect public policy in order to increase the positive exchange of information and discussion between council members, staff, and the public. Committees may take action on policy items in the form of recommendations to the full council.

In practice, most of the time the policies presented and discussed with the committee are presented and discussed in the same manner with the full City Council during a study session or regular meeting. In addition, some of the committees have lacked items for discussion, indicating that fewer meetings are needed. Mayor Johnson and City staff see a benefit in discussing these policy decisions with the full council from the beginning. Such a system would have each Council committee become a City Council of the Whole. These discussions would occur for the first hour of each City Council Study Session and in other meetings, as needed.

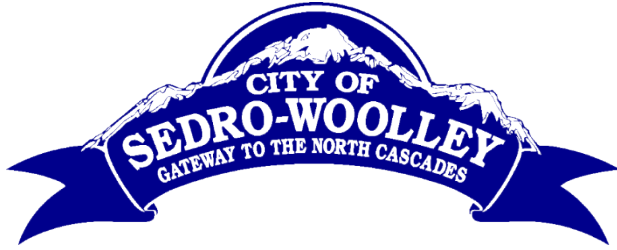
Staff are requesting Council's feedback on this topic and any other potential changes to the City Council Governance Handbook.

FISCAL IMPACT, IF APPROPRIATE:

None.

ATTACHMENTS:

1. DRAFT_2026+2027_CouncilCommittees_2026.01.02
2. Sedro-Woolley_City_Council_Governance_Handbook



CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-1661

Kelly Kohnken
Finance Director / City Clerk

CITY COUNCIL COMMITTEES

The Sedro-Woolley City Council Governance Handbook, Election of Officers and Selection/Operation of Council Committees, outlines the following:

At the first meeting of every even year, the Mayor shall appoint two councilmembers and a council chairperson to each standing committee of the Council, subject to confirmation by the city council. In making the appointments, the Mayor shall consider councilmembers' expressed interests and shall attempt to match councilmembers to their committees of choice.

2026 and 2027 City Council Committees and Appointments

Public Safety: To consider policy issues and make policy recommendations to the full Council related to the police department, fire department, municipal court, and emergency management.

Members: Chair Joe Burns, Allan Henderson, JoEllen Kesti
Staff Liaison: Chief McIlraith and Chief Wagner

Finance and Information Technology: To consider policy issues and make policy recommendations to the full Council related to financial management policies, financial reports, personnel issues including personnel policies, and information technology issues.

Members: Chair Nora Pederson, Kevin Loy, Nick Lavacca
Staff Liaison: Finance Director Kelly Kohnken and IT Director Woody Tovar

Strategic Planning: To consider policy issues and make policy recommendations to the full Council related to development and implementation of the City's strategic plan.

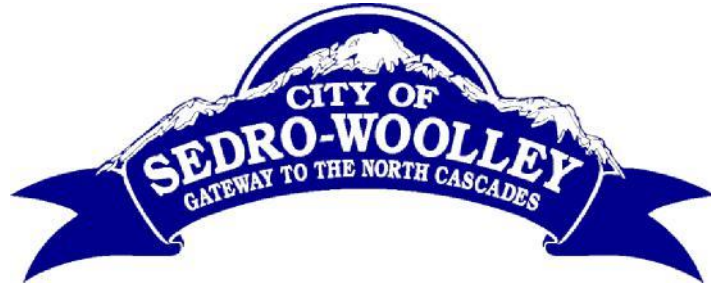
Members: Chair Paul Cocke, Nora Pederson, Kevin Loy
Staff Liaison: City Administrator Charlie Bush

Public Works: To consider policy issues and make policy recommendations to the full Council related to the City's utilities, parks, streets, and other public works related issues.

Members: Chair JoEllen Kesti, Paul Cocke, Allan Henderson
Staff Liaison: Director of Public Works Bill Bullock

Planning and Business Development: To consider policy issues and make policy recommendations to the full Council related to long-term planning and growth in the City. In addition, considering policy issues and making policy recommendations related to the attraction of new businesses and the retention of existing businesses within the City.

Members: Chair Nick Lavacca, Joe Burns, Nora Pederson
Staff Liaison: Community Planning Director Tom Glover and City Administrator Charlie Bush



City Council Governance Handbook

**Adopted by Resolution 972-17
A Comprehensive Collection of
Rules and Procedures for
the City Council**

**Adopted September 13, 2017
Updated September 27, 2023**

Resolution 546 adopted 5-23-1994, repealed and replaced by Resolution 972-17 adopted 9-13-2017, amended by Resolutions 978-18, 980-18, 1023-19, 1087-22, and 1109-22

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CHAPTER 1 - Council Meetings



A. General

1. Council Meetings - Time and Location

Unless otherwise specified in a meeting notice, regular meetings of the City Council shall be held at the Sedro-Woolley Municipal Building, Council Chambers on the second and fourth Wednesdays beginning at 6:00 p.m. The City Council also meets on the first Wednesday at the Sedro-Woolley Fire Department Training Room beginning at 6:00 p.m. for a study session meeting. There are no regularly scheduled study session meetings in the months of June, July and August. Pursuant to RCW 42.30.070, Open Public Meetings Act, “if at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day.” SWMC 2.04.010 provides more detail on meetings in November and December as follows, “The city council shall hold regular meetings at six p.m. on the first, second and fourth Wednesday of each month throughout the year, but whenever a regular meeting falls on a legal holiday now or hereafter designated as such by the laws of the state of Washington, such meeting shall be held at six p.m. of the first day following which is not itself a legal holiday; and provided, that the meeting immediately before the Thanksgiving holiday each year shall be held on the Tuesday before Thanksgiving rather than the fourth Wednesday; and provided further, that no meeting is scheduled for the fourth Wednesday in December.”

2. Council Meetings - Open to the Public

All meetings of the City Council shall be open to the public, except as provided for in RCW 42.30.110¹ (Executive Sessions), or RCW 42.30.140² (Open Public Meetings Act). Councilmembers will notify appropriate staff of Councilmember’s plans to attend any of the various outside public meetings hosted by other organizations or agencies, or City meetings hosted by various City Departments, so that notice may be published concerning such attendance in order not to risk any real or perceived violation of the Open Public Meetings Act.

3. Presiding Officer

The Mayor shall preside at meetings of the Council. In case of the Mayor's absence or temporary disability, the Mayor Pro Tempore shall act as Mayor during the continuance of the absence. In case of the absence or temporary inability of the Mayor and Mayor Pro Tempore, an acting Mayor Pro Tempore selected by majority vote of the remaining members of the Council, shall act as Mayor during the continuance of the absences [RCW 35A.13.035³]. The Mayor, Mayor Pro Tempore (in the Mayor’s absence) or acting Mayor Pro Tem are referred to as “Presiding Officer” from time to time in these Rules of Procedure.

B. Types of Meetings

1. Regular Meeting

The city council shall hold regular meetings at six p.m. on the first, second and fourth Wednesday of each month throughout the year, but whenever a regular meeting falls on a legal holiday now or hereafter designated as such by the laws of the state of Washington, such meeting shall be held at six p.m. of the first day following which is not itself a legal holiday; and provided, that the meeting immediately before the Thanksgiving holiday each year shall be held on the fourth Tuesday of November rather than the fourth Wednesday; and provided further, that fourth Wednesday meeting in December is cancelled as detailed in SWMC 2.04.010.

a) Formal Format

1. Normally held 2nd and 4th Wednesdays. The City Administrator, in consultation with the Mayor, shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Council. On or before close of business on a Friday preceding a Wednesday Council meeting, or at the close of business at least 24 hours preceding a special Council meeting, a copy of the agenda and supporting materials shall be prepared for Councilmembers, appropriate staff, and the media who have filed a notification request. Agendas may be amended as required, and expeditiously distributed to Council and appropriate staff.
2. Requests from outside entities or individuals for presentations to be scheduled on any Council agenda imply that the presentation is the official business of the City, and such requests should be submitted to the City Administrator at least ten days prior to the appropriate Council meeting. The City Administrator and the Mayor will make a determination of whether the matter is an administrative issue, and whether it should be placed on an upcoming Council agenda.
3. Forms of Address. Everyone in attendance at a formal format meeting, including all members of Council, are to address the Mayor as “Mayor (surname).” The Mayor Pro Tempore, when acting in that capacity, shall be addressed as “Mayor Pro Tempore (surname).” Everyone in attendance at a formal format meeting, including Members of the Council as they address each other, shall be addressed as “Councilmember (surname).”
4. Order of Business. The business of all regular formal meetings of the Council shall be transacted as follows, provided, however, that the Presiding Officer may, during a Council meeting, rearrange items on the agenda to conduct Council business more expeditiously, without the necessity of a formal action or motion. However, adding or removing items from the agenda once a meeting has been called to order requires Council to make a motion and vote on approving the “amended agenda.”
 - i. *Call to Order by the Presiding Officer.*
 - ii. *Pledge of Allegiance.*
 - iii. *Roll Call.* (See Chapter 1, C3 [page 13] for procedure to excuse an absence)
 - iv. *Approval of Agenda.*

In case of an emergency or an extremely time-sensitive issue which neither the administration nor the entire Council was aware of prior to the distribution of the agenda and accompanying materials, a new item may be introduced by the Presiding Officer, by a concurrence of at least three Councilmembers, or by the City Administrator and suggested as an amended agenda item for the present meeting. If a new item(s) is added, Council will then consider a motion to approve the amended agenda. (“Three-Touch Principle” should be followed whenever possible.)
 - v. *Consent Agenda*

Items which may be placed on the Consent Agenda are those which: (1) have been previously discussed by the Council; (2) based on the information delivered to members of the Council by administration can be reviewed by a Councilmember without further explanation; (3) are so routine, technical or non-substantive in nature that passage without discussion is likely; or (4) otherwise deemed in the best interest of the City.

The proper Council motion on the Consent Agenda is: "I move approval of the Consent Agenda." This motion will have the effect of moving to approve all items on the Consent Agenda. Since approval of any item on the Consent Agenda implies unanimous consent, any member of the Council shall have the right to remove any item from the Consent Agenda. Therefore, prior to the vote on the motion to approve the Consent Agenda, the Presiding Officer shall inquire if any Councilmember wishes an item to be withdrawn from the Consent Agenda. If any matter is withdrawn, the Presiding Officer shall place the item at an appropriate place on the agenda for the current or a future meeting, including addressing the issue immediately after passage of the remaining items on the Consent Agenda.

vi. Introduction of Special Guests and Presentations.

vii. *Staff Reports.*

Councilmember and Mayor's Reports. Council or government-related activities (e.g. synopsis of committee, commission, task force or other board meetings). These verbal reports are intended to be brief, city work-related reports of significance in keeping the Council informed of pertinent policy issues or events stemming from their representation of the City on a regional board, committee, task force or commission, whether as a formal member or as a liaison. Extended reports shall be placed as future agenda items for presentation or submitted in writing as an informational memo.

viii. *Proclamation(s).*

ix. *Public Comments*

An opportunity for public comments on subjects not on the agenda for action (as well as comments connected with action items) are limited to three minutes each unless modified by the Presiding Officer. Although the City Council desires to allow the opportunity for public comment, the business of the City must proceed in an orderly, timely manner. At any time, the Presiding Officer, in the Presiding Officer's sole discretion, may set such reasonable limits as are necessary to prevent disruption or undue delay of other necessary business.

1. *Subjects Not on the Current Agenda.* Although it is not necessary for members of the public to sign in to speak, the Presiding Officer may invoke a sign-in procedure for speakers. Any member of the public may request time to address the Council. Speakers shall state their name and address, and the subject of their comments, and spell their last name for the record. The Presiding Officer may allow the verbal comments subject to such time limitations as the Presiding Officer deems necessary. Following such verbal comments, the Presiding Officer may place the matter on a future agenda or refer the matter to administration for investigation and/or report. The Presiding Officer may ask Council or Staff to address factual issues raised by public comments, if appropriate.

2. *Subjects on the Current Agenda, "1st Reading".* Any member of the public who wishes to verbally address the Council on an item on the current agenda listed as a "1st reading", shall proceed to the podium at the time

when comments from the public are invited during the agenda item discussion. The Council may hear such comments before or after initial Council discussion. The Presiding Officer may also invoke a sign-in procedure. If necessary, the Presiding Officer in consultation with the City Attorney shall rule on the appropriateness of verbal public comments as the agenda item is reached. The Presiding Officer may change the order of speakers so that comment is heard in the most logical groupings.

3. Comment shall be made from the podium microphone or via video conference, by first giving name, city of residence and subject. No comments shall be made from any other location, and anyone making “out of order” comments shall be subject to removal from the meeting. The public shall be reminded that a Council meeting is a business meeting of the city and is not intended as a public forum and this is not an opportunity for dialogue or questions and answers, but public comment. When appropriate, staff will research issues and report back to those making the comment as well as to Council. Verbal public comments are opportunities for speakers to briefly address Council, and those speaking are to address members of Council and not the audience. Since this is an opportunity for verbal public comment, in the interest of time and keeping in mind all documents submitted during Council meetings become the property of the City, graphs, charts, posterboards, PowerPoint presentations, or other display materials will not be allowed, although written comments and written materials including photographs and petitions, may be submitted to Council via the City Clerk.
4. Demonstration, applause or other audience participation before, during or at the conclusion of anyone's presentation is prohibited. Any disruptive behavior, as determined by the Presiding Officer, shall be cause for removal from the meeting room.
5. Any ruling by the Presiding Officer relative to the subsections 1 and 2 above may be overruled by a vote of a majority of Councilmembers present.
6. Council shall not permit public comments if they relate to any matter upon which a quasi-judicial hearing has been required, scheduled, or held. (See Chapter 4 for procedure for taking public comment on legislative matters.) Unless solicited and scheduled, comments shall not be permitted relative to any future or possible/probable future ballot issue. (See Chapter 2, E Ballot Measures for further direction concerning ballot measures.)
7. Public comments will not typically be allowed for items on the consent agenda and items on the agenda for a “2nd reading”.
8. Consistent with RCW 42.17A.555, no public comments will be allowed regarding support for or opposition to political campaigns, candidates or elections other than for Ballot Measures as addressed in Chapter

Written Public Comments. Citizens have the option of submitting written views, opinions, comments, data, and arguments to Council on any topic and at any time, not just prior to or during public Council meetings. Unless the citizen reads their own prepared written comments, such comments will not be read aloud during regular or special Council meetings although they will be included as part of the public record on the topic and if appropriate, may be publicly acknowledged. Any written comments submitted to Council via the City Clerk

will be distributed to Council by placing copies at each Councilmember's seat at the dais; or in the case of e-mailed or other electronic comments, will be forwarded to Council via e-mail. If individual Councilmembers receive written (including electronic) public comments or materials for the purpose of reading/sharing those materials during Council meetings, those materials should be submitted to the City Clerk prior to the Council meeting so the Clerk can make copies for later distribution to members of Council. (See No. 6 above and Chapter 2, Ballot Measures; see also Public Hearings section regarding public comments.) Written comments should clearly state that they are intended for the full council to ensure inclusion in a council packet.

Councilmembers will avoid accessing any electronic message during Council meetings. Accessing such communication could be construed as receiving public comment without the benefit of having the citizen in person to address their concerns.

- x. *Public Hearings.* (See Chapter 4 for procedural details)
- xi. *Unfinished Business* [includes matters that were pending when a previous meeting adjourned or matters specifically postponed to the present meeting.]
- xii. *New Business.* [Action items are designated as New Business]
- xiii. *Information Only Items.* These items will generally not be discussed or reported.
- xiv. *Good of the Order.* Last call from Council and Staff for items to be discussed.
- xv. *Executive Session (as required).* (See Chapter 1, section B1c below)
- xvi. *Adjournment.* No Council meeting should be permitted to continue beyond approximately 9:00 p.m. without approval of a majority of the Councilmembers present. A new time limit shall be established before taking a Council vote to extend the meeting.

When a motion is made to adjourn into Executive Session for a specified period of time, no additional motion is needed to extend the meeting beyond 9:00 p.m. since that is implied as part of the motion to adjourn into Executive Session.

In the event that a meeting has not been closed or continued by Council as herein specified, the items not acted on shall be deferred to the next regular formal Council meeting, unless the Council by a majority vote of members present determines otherwise.

b) Study Session Format

1. Normally held the 1st Wednesday. The purpose of the study session format is to allow Councilmembers to be made aware of impending business, including first readings of agenda items, and allow informal discussion of issues that might be acted on at a future meeting. Council preference is that action items should not be included on a study session agenda, but there may be times when, due to deadlines or other pertinent issues, action items must be included. Study sessions shall be in a less formal setting than regular formal meetings. Council may be seated other than at the dais, but shall not discourage public observation. Unless there are designated action items which permit public comment, there will be no public comment at study sessions although the Council may request staff or other participation in the same manner as a regular formal Council meeting. The City Administrator, under the direction of the Mayor, shall arrange a Council study session agenda for the meeting. For each item, the agenda shall contain the discussion subject, the discussion leader, the activity and the discussion goal. A copy of the agenda and accompanying background materials shall be prepared for Councilmembers, appropriate staff and the press, on or before 4:30 p.m., one day before the meeting. Councilmembers have the option of accessing their Council packet via the City's website. During a Council meeting, the Presiding Officer may rearrange items on

the agenda to conduct Council business more expeditiously without the necessity of a formal action or motion. However, adding or removing items from the agenda once a meeting has been called to order requires Council to make a motion and vote on approving the “amended agenda.”

Voting.

- i. Action Items on the Agenda. Although action items may occasionally be included on a study session agenda, it is the practice of Council to keep those instances to a minimum. Because a study session is a recognized meeting according to the “Open Public Meetings Act,” it is permissible for Council to take final action during these meetings.
 - ii. Non-action Items on the Agenda. Because study sessions are usually understood by the public and media as referring to meetings at which Council will only consider and discuss items and not take final action or vote, voting or making a motion when neither is included on an agenda does not violate state law, but for consistency sake and to avoid any surprises to the public and media, the practice is discouraged.
2. Discussion Leader’s Role. During the Council study session, the discussion leader should introduce the subject and give background information, identify the discussion goal, act as facilitator to keep the discussion focused toward the goal, and alert the Presiding Officer when it is appropriate, to schedule the topic for a motion or official direction of the Council.
3. The role of the Presiding Officer is to facilitate Councilmembers engaged in free flowing discussion without the necessity of each Councilmember being recognized by the Presiding Officer. The Presiding Officer retains the option of assuming the function of the discussion leader at any time in order to maintain decorum and ensure all Councilmembers have the opportunity to be heard, and to keep the discussion properly focused.
4. Requests from outside entities or individuals for presentations to be scheduled on any Council agenda imply that the presentation is the official business of the City, and such requests should be submitted to the City Clerk at least ten days prior to the appropriate Council meeting. The City Clerk will consult with the City Administrator and the Mayor for a determination of whether the matter is an administrative issue, and whether it should be placed on an upcoming Council agenda.
5. Council Comments. The purpose of this agenda item is to allow Councilmembers an opportunity to report on an activity or key issue which either just arose, needs immediate or imminent action, or to simply report on something in connection with their role as a Councilmember that transpired since the last Council meeting. It is also an opportunity for Councilmembers to bring up topics for clarification, or to address other upcoming concerns. Pre-scheduled materials Council wishes to share as part of the Council packet, could also be included on study session agendas under “Council Comments.”
6. City Administrator Comments. The purpose of this agenda item is to allow the City Administrator the opportunity to brief Council on an activity or issue which either just arose, needs immediate or imminent action, or to simply inform Council of items that transpired since the last Council meeting.
7. Forms of Address. Councilmembers and staff have the option of addressing each other on a first name basis during the study session format meetings.

c) Executive Sessions

1. If Council holds an executive session, it will be held in accordance with the Open Public Meetings Act, RCW Chapter 42.30. The Council may hold an executive session during a regular or special meeting. Before convening in executive session, the Presiding Officer

shall publicly announce the purpose for adjourning into executive session; the approximate length of time for the executive session; and the likelihood of Council taking action at the close of the executive session and return to open session.

- i. At the close of the executive session and upon Council's return to chambers, the Presiding Officer will declare Council out of executive session, and will ask for the appropriate motion (i.e. an action motion or a motion to adjourn).
 - ii. To protect the best interests of the City, Councilmembers shall keep confidential all verbal and written information provided during executive sessions. Confidentiality also includes information provided to Councilmembers outside of executive sessions when the information is considered exempt from disclosure under the Code of Ethics for Municipal Officers (RCW 42.524) and/or the Public Records Act (RCW 42.565). See also, Washington AGO 2017-5 (councilmembers have an affirmative duty to maintain the confidentiality of topics discussed in executive session).
2. RCW 42.30.110 explains the purpose for holding an executive session, some of which include:
- i. RCW 42.30.110(1)(b). To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price (pending land acquisition);
 - ii. RCW 42.30.110(1)(g). To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4) (*labor negotiations*), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public; [note that stating that an executive session is to discuss a "personnel matter" is not sufficient because only certain types of personnel matters are appropriate for discussion in an executive session.] (*review qualifications of a public employee*)
 - iii. RCW 42.30.110(1)(h). To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public (*review qualifications of an elected official*)
 - iv. RCW 42.30.110(1)(i). To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency *litigation or potential litigation* to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.
For purposes of this subsection (1)(i), "potential/pending litigation" means matters protected by Rules of Professional Conduct (RPC) 1.6 or RCW 5.60.060(2)(a) concerning:
 1. Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;
 2. Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or

3. Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency.
3. Council may adjourn into executive session even if it is not listed on the meeting agenda. There is a requirement in RCW 35A.12.1606 that the public be made aware of the preliminary agendas of meetings in advance of the meeting, but that does not mean that an item that arises after the agenda has been posted cannot be discussed at the meeting, even in executive session. Since final action on the matter would not be taken at the executive session, it would not violate any provision in state law to hold an executive session at a regular Council meeting even if the executive session was not listed on the agenda. [per MRSC Index-General Government-Executive sessions.] Although amending the agenda is not required in order to adjourn into executive session, it is a good practice for the Mayor to announce at the beginning of the meeting, that Council will be adjourning into an executive session at the end of the regular meeting.
4. Attendance at Executive Sessions. The City Attorney will be present at executive sessions and is required to attend executive sessions which address litigation or potential litigation. The question of who may attend an executive session other than the Council is determined by the Mayor and City Administrator in consultation with the City Attorney.

2. Special Meetings

Meetings set at days, times, and places other than Wednesdays at 6:00 p.m. in the Sedro-Woolley City Council Chambers or Fire Training Room shall be deemed “special meetings,” such as joint meetings with other jurisdictions or entities (Board of County Commissioners, Planning Commissioners), and Council workshops or retreats.

A special meeting may be called by the Mayor or any three members of the Council. (RCW 35A.13.170⁷, 35A.12.110⁸). The notice shall contain information about the meeting, including date, time, place, and business to be transacted and shall be posted on the City’s website and displayed at the main entrance of the meeting location (RCW 42.30.080). The notice shall be delivered to each member of Council at least 24 hours before the time specified for the proposed meeting (RCW 35A.12.110⁹).

The notices provided in this section may be dispensed within the circumstances provided by RCW 42.30.080¹⁰, that is: (a) As to any member who, at or prior to the time the meeting convenes, files with the City Clerk a written waiver of notice, (b) As to any member who was actually present at the meeting at the time it convenes, and (c) In the event a special meeting is called to deal with an emergency involving injury or damage to persons

or property or the likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage; or as otherwise provided by law.

The processes and rules for agenda content apply to regular formal, study session format, as well as special meetings.

3. Placing Items on an Agenda:

Routine Council Business: Through the normal course of business, Council may move items forward to a future agenda by consensus.

New Item Council Business: Any Councilmember may request the addition of an item to a future Council agenda for initial consideration by making a motion. The item will be placed on a future agenda upon

receipt of a second. This initial consideration of the item will not involve staff time and shall occur at the next council meeting or as soon thereafter as practical. The purpose of the initial consideration is to allow the maker of the motion to briefly present the item to the Council for discussion. Once briefly presented, a simple majority vote will be of taken by Council to decide whether to add the item to a future agenda for full consideration

Staff: except for routine items such as those found on most Consent Agendas, requests for items to come before Council shall be routed through the Mayor or City Administrator or come directly from the Mayor or City Administrator as part of the normal course of business.

C. Meeting Rules and Procedures

1. Council Rules of Order

The City Attorney shall serve as the official parliamentarian for all Council meetings, and will keep a copy of the most current “*Robert’s Rules of Order*” (RONR) in Council Chambers during Council meetings. The Council will generally follow RONR, however, the Mayor is the chairperson of the meeting and may depart from strict adherence to RONR as he or she deems appropriate. The Council, by a majority vote, can require strict adherence to RONR.

2. Quorum

At all regular and special meetings of the Council, a majority of the Councilmembers who hold office shall constitute a quorum for the transaction of business.

3. Attendance, Excused Absences

RCW 35A.12.060¹¹ provides that a Councilmember shall forfeit his/her office by failing to attend three consecutive regular meetings of the Council without being excused by the Council. Members of the Council may be so excused by complying with this section. The member shall contact the Mayor, City Clerk, or City Administrator prior to the meeting and state the reason for his/her inability to attend the meeting. Following roll call, the Presiding Officer shall inform the Council of the member's absence, and inquire if there is a motion to excuse the member. This motion shall be nondebatable. Upon passage of such motion by a majority of members present, the absent member shall be considered excused and the City Clerk will make an appropriate notation in the minutes.

4. Respect and Decorum

It is the duty of the Mayor and each Councilmember to maintain dignity and respect for their offices, City staff and the public. While the Council is in session, Councilmembers shall preserve order and decorum and a Councilmember shall neither by conversation or otherwise, delay or interrupt the proceedings of the Council, nor disrupt or disparage any Councilmember while speaking. Councilmembers and the public shall comply with the directives of the Presiding Officer. Any person making disruptive, disparaging or impertinent remarks or unreasonably disturbing the business of the Council, either while addressing the Council or attending its proceedings, shall be asked to cease such disruption, or may be asked to leave, or be removed from the meeting. At any time during any Council meeting, any Councilmember may object to personal affront or other inappropriate comments, by calling for a “point of order.” After the Councilmember is recognized by the Presiding Officer and the Councilmember explains their point concerning respect and decorum, or lack thereof, the Presiding Officer shall rule on the remark and may ask the person making the disturbance to cease or leave the room. Continued disruptions may result in a recess or adjournment as set forth in #8 below.

5. Seating Arrangement

Councilmembers shall occupy the respective seats in the Council Chamber assigned to them by the Mayor.

6. Dissents and Protests

Any Councilmember shall have the right to express dissent from or protest verbally or in writing, against any motion, ordinance or resolution of the Council and have the reason therefore entered or retained in the minutes.

7. Councilmember Meeting Participation by Telephone/Video Conference

Telephone/video conference participation by Councilmembers may be allowed on a case-by-case basis. Under circumstances identified in RCW 42.30.070 and RCW 42.30.230, the City Council may meet as a body by video conference without a physical meeting location.

8. Internet Use

Use of the City's network systems implies Council is aware of and understands that the system is provided to assist in the performance of their roles as Councilmembers, and as such, Councilmembers are obligated to use, conserve and protect electronic information and information technology resources and to preserve and enhance the integrity of those resources which belong to the citizens of Sedro-Woolley.

- a) As noted on page 8, Councilmembers will avoid accessing any electronic message during Council meetings. Accessing such communication could be construed as receiving public comment without the benefit of having the citizen in person to address their concerns. Likewise, Councilmembers will avoid doing any browsing of the Internet of non-City business during Council meetings in order that Council's full attention can be given to the topic at hand.
- b) Information technology resources are provided for the purpose of conducting official City business. The use of any of the City's information technology resources for campaign or political use, unless such use has been determined not a violation of RCW 42.17A.555 by the City Attorney, Washington State Attorney General, or Washington Public Disclosure Commission, or as otherwise authorized by law, is absolutely prohibited.
- c) Confidential material shall not be sent via e-mail.
- d) All letters, memoranda, and interactive computer communication (e-mail) involving Councilmembers, the subject of which relates to the conduct of government or the performance of any governmental function, with specific exceptions stated in the Public Records Act (RCW 42.56) are public records. Copies of such letters, memoranda and interactive computer communication shall not be provided to the public or news media without filing of a public disclosure request with the City Clerk.
- e) E-mail communications that are intended to be distributed among all Councilmembers, whether concurrently or serially, shall be considered in light of the Open Public Meetings Act. If the intended purpose of an e-mail is to have a discussion that should be held at an open meeting, the electronic discussion should not occur, and Council discussion should wait until everyone has had ample opportunity to view the message before including such topic(s) on an upcoming agenda.

9. Adjournment Due to Emergency or Disruption

In the event of an emergency such as a fire or other natural or catastrophic disaster, threatened violence, or inability to regain good order, the Presiding Officer shall forthwith declare a recess, adjourn, or continue the meeting, and the City Council as well as everyone in the room shall immediately leave the meeting room. The Presiding Officer may reconvene the meeting when it has been determined by the appropriate safety officials that it is safe to do so.

10. Permission Required to Address the Council

Persons other than Councilmembers and staff shall be permitted to address the Council upon recognition and/or introduction by the Presiding Officer or City Administrator.

11. Approaching the Dais

Once a Council meeting has been called to order, stepping between the podium and the dais will not be allowed, and stepping behind any part of the dais, including those parts occupied by staff is also not permitted. This includes, but is not limited to, video recording, still photography, tape recording, and distributing written handouts. Council reserves the right to invite anyone forward to the podium to be addressed by Council.

12. Out of Order Requests

Occasionally a member of the public may wish to speak on an agenda item but cannot remain until the item is reached on the agenda. During “Open Comments From the Public,” such person may request permission to speak by explaining the circumstances. The Presiding Officer in his/her sole discretion shall rule on allowing or disallowing the out of order request.

13. Photographs, Motion Pictures or Video Tape Requiring Artificial Illumination

Prior permission required. No overhead projection, photographs, motion pictures, or video tapes that require the use of floodlights, or similar artificial illumination shall be used by the public at City Council meetings without the prior consent of the Presiding Officer.

14. Voting

The votes during all meetings of the Council shall be transacted as follows:

- a) The Presiding Officer shall first call for a vote from those in favor of the motion, followed by a call for those opposed to the motion, and afterwards shall state whether the motion passed or failed. Unless otherwise provided by statute, ordinance, or resolution, all votes shall be taken by voice. At the request of any Councilmember or the City Clerk, a roll call vote shall be taken by the City Clerk. The order of the roll call vote shall be determined by the City Clerk.
- b) In case of a tie vote on any proposal, the motion shall be considered lost (Note that in some instances the Mayor is authorized to break a tie vote, see RCW 35A.12.100 which allows the Mayor to cast a tie-breaking vote with respect to matters other than the passage of any ordinance, grant, or revocation of franchise or license, or any resolution for the payment of money).
- c) Every member who was present when the question was called, shall give his/her vote. If any Councilmember refuses to vote “aye” or “nay,” their vote shall be counted as an “aye” vote unless the Councilmember has abstained or recused themselves due to actual or perceived appearance of a conflict of interest, which shall be so stated prior to the vote at hand.
- d) The passage of any ordinance, grant or revocation of franchise or license, and any resolution for the payment of money and any approval of warrants, shall require the affirmative vote of at least a majority of the whole membership of the Council. Except as provided in “e” below, all other motions or resolutions shall require an affirmative vote of at least a majority of the quorum present.
- e) Majority Plus One: The passage of any public emergency ordinance (an ordinance that takes effect immediately), expenditures for any calamity, violence of nature, riot, insurrection, or war; and provisions for a lesser emergency, such as a budget amendment (RCW 35A.33.090), shall require the affirmative vote of at least a majority plus one of the whole membership of the Council. (RCW 35A.13.19012).

15. Motions and Discussion

- a) Order of Procedure:
 1. Staff makes their presentation
Mayor asks Council if there are any questions for staff.
Member of Council makes a motion by stating: “**I move . . .**”
The motion is seconded.
 2. If public comments are allowed on the item, the Mayor invites public comments. Public comments should be limited to one comment per person per topic and limited to three minutes. Mayor reminds the public this is time for comments and not discussion; and if the public has questions, those questions will be addressed by staff at another time outside the meeting.
 3. Mayor opens the floor to Council for discussion.
The maker of the motion normally begins the discussion.

The discussion must have bearing on whether the pending motion should be adopted (RONR §43); and can be prefaced by a few words of explanation, but must not become a speech (RONR §4).

All Council remarks should be addressed through the Mayor.

4. When discussion has ended, the Mayor re-states the motion or asks the Clerk to re-state the motion. Once the motion is re-stated, the Mayor calls for the vote, which is normally taken by voice. The Mayor then states whether the motion passed or failed.

b) In General:

1. Except in rare circumstances, Council motions shall be in the form of an affirmative motion. Affirmative motions are preferred to prevent “approval by default” of a failed negative motion.
2. Agenda items scheduled for Council action shall require a motion by a Councilmember before discussion unless the Council suspends the requirement by majority vote. Upon failure of either a prior motion or rule suspension, the agenda item shall be passed over and may not be reintroduced until the next regular meeting. (Mayoral appointments excepted. See Committees for further discussion.)
3. Councilmembers should direct questions to the City Administrator or the designated presenter.
4. Main motions are made when no other motion is pending (see chart below). They are debatable and subject to amendment. Since seconding a motion means “let’s discuss it,” if there is no second but discussion ensues, the matter of having a second to proceed is moot and the motion can proceed. However, if there is no second and no discussion, the motion does not progress. Note that the motion does not “die for a lack of a second” but it merely does not progress.
5. The maker of a motion can withdraw their motion without the consent of the seconder, and if the mover modifies the motion, the seconder can withdraw the second. The person making the motion is entitled to speak first to the motion. A maker of the motion can vote against the motion but cannot speak against their own motion.
6. No one should be permitted to speak twice to the same issue until everyone else wishing to speak has spoken. All remarks must be directed to the Presiding Officer and must be courteous in language and deportment (Robert’s Rules of Order Newly Revised, Article VII, Section 43, Decorum in Debate), keeping in mind it is not the Councilmember, but the measure that is the subject of debate.
7. When an amended motion is on the floor, the vote is taken on whether to adopt the amendment. If adopted, the next vote is on the fully amended motion.
8. Motions should be reserved for items marked on the agenda for action, so as to avoid any surprises for Council, staff and the public.

Parliamentary Procedure at a Glance

Roberts Rules of Order §	IF YOU WANT TO	YOU SAY	INTERRUPT ?	NEED 2ND?	Can be Debat	Can be Amended	VOTE
11	Postpone indefinitely (the purpose is to prevent action or kill an issue.)	I move to postpone (an affirmative vote can be reconsidered; a negative vote cannot)	No	Yes	Yes	No	Majority
12	Modify wording of motion	I move to amend the motion by . . .	No	Yes	Yes	Yes**	Majority
14	Postpone to a certain time	Ex: I move to postpone the motion to the next Council meeting.	No	Yes	Yes	Yes	Majority
16	Close debate	I move the previous question, or I call for the question	No	Yes	No	No	Majority*
17	To Table a motion	I move to lay on the table, the motion to . . .	No	Yes	No	No	Majority
19	Complain about noise, room temperatures	Point of Privilege	Yes	Yes	Yes	Yes	Chair decision
20	Take break	I move to recess for .	No	Yes	No	Yes	Majority
21	Adjourn meeting	I move to adjourn	No	Yes	No	No	Majority
23	Object to procedure or personal affront	Point of Order	Yes	No	No	No	Chair decision
25	Suspend rules	I move to suspend the rules and . . .	No	Yes	No	No	Majority*
34	Take matter from table	I move to take from the table the motion to . .	No	Yes	No	No	Majority
35	Reconsider something already disposed of	I move we reconsider action on . . .	No	Yes	Yes	Yes	Majority

It should be noted that the purpose of tabling a motion is not to simply postpone an issue or a vote. If the intended purpose is to postpone, then the motion to postpone should be used. If more information is needed or desired in order to make the most informed vote possible, then an option would be for the maker of the motion to simply withdraw the motion. The consent of the seconder is not needed to withdraw a motion. While a motion is still on the table, no other motion on the same subject is in order.

The motion to table enables the assembly to lay the pending question aside temporarily when something else of immediate urgency has arisen. The motion to “Lay on the Table” is out of order if the evident intent is to kill or avoid dealing with a measure. (Robert’s Rules of Order Newly

Revised, 10th Edition) *(Robert's Rules of Order Newly Revised states 2/3 vote required. Council direction is to base vote on majority except on matters where 2/3 (or majority plus one) is required by state statute.

** If the main motion to amend can be amended.

Call for the Question: if it is felt that debate on a motion on the floor has dragged on longer than warranted, a member of Council may "call the question." The "call for the question" is a motion to end debate and vote immediately. If this "call for the question" motion is passed by a majority vote, then the vote must be taken on the original debated motion on the floor.

16. Ordinances

Prior to final passage of all ordinances such documents shall be designated as drafts. In addition: Ordinances shall normally have readings at two separate Council meetings.

- a) The provision requiring two separate readings of an ordinance may be waived at any meeting of the Council by a majority vote of all members present. (This would require a successful motion to suspend the rules and pass the ordinance on a first reading.)
- b) If a motion to pass an ordinance to a second reading fails, the ordinance shall be considered lost, unless a subsequent motion directs its revision and resubmission to first reading.
- c) Any ordinance repealing any portion of the Sedro-Woolley Municipal Code shall also repeal the respective portions of the underlying ordinance(s). Ordinances repealing earlier ordinances shall not apply to acts, incidents, transactions or decisions occurring before such repeal.

17. Resolutions

A resolution may be approved on the same day it is introduced. Council may invoke the two reading procedures described above for ordinances to facilitate public understanding and/or comment on the resolution.

18. Reconsideration

The purpose of reconsidering a vote is to permit correction of hasty, ill-advised, or erroneous action, or to take into account added information or a changed situation that has developed since the taking of the vote. Any action of the Council, including final action on applications for legislative changes in land use status, shall be subject to a motion to reconsider except:

- a) any action previously reconsidered;
- b) motions to adjourn or motions to suspend the rules;
- c) an affirmative vote to lay an item on, or take an item from, the table;
- d) a previously passed motion to suspend the rules; or
- e) a vote electing to office one who is present and does not decline.

Such motion for reconsideration:

- a) must be reconsidered within the two following Council meetings;
- b) must be called up when no business is pending (no action is pending);
- c) if action is pending, the Mayor asks the Clerk to note that the motion to reconsider has been made and is to be taken up when a member calls the motion to reconsider the vote when no other business (action) is pending;
- d) must be made by a member who voted on the prevailing side on the original motion.
- e) This means a reconsideration can be moved only by one who voted aye if the motion involved was adopted, or no if the motion was lost. It is permissible for a Councilmember who cannot make such a motion, but believes there are valid reasons for one, to try to persuade someone who voted on the prevailing side, to make such a motion.
- f) a member who makes this motion should state that he or she voted on the prevailing side;
- g) needs a second, and can be seconded by any member;

- h) is debatable if the type of motion it reconsiders is debatable; and
- i) 8. is not amendable and requires a majority vote to adopt.

Step 1: A Councilmember who voted on the prevailing side makes the motion, such as "I move to reconsider the vote on the resolution relating to holidays. I vote for [or against] the resolution." This motion needs a second and can be seconded by any Councilmember. If the motion for reconsideration is adopted, the original motion is then placed before Council as if that motion had not been voted on previously; and **Council again takes that motion under discussion, followed by a new vote.**

Any motion for reconsideration of a matter which was the subject of a required public hearing or which is a quasi-judicial matter, may not be discussed or acted upon unless and until the parties or their attorneys and the persons testifying have been given at least five days advance notice of such discussion and/or action.

19. Council Materials

a) Council Material

Councilmembers and staff should read the agenda material and ask clarifying questions of the City Administrator or other appropriate staff prior to the Council meeting when possible. Council recognizes there are times when Councilmembers may wish to bring additional documentation to a meeting on a specific subject, whether that subject is on the agenda or not, in order to share with Council and staff. When possible, the materials should be distributed to Councilmembers and staff prior to the Council meeting, or if distributed during a meeting, Councilmembers should indicate the materials are for future reading, since except in an emergency, Councilmembers would normally not take time at the dais to read material just received. Pre-scheduled materials Council wishes to share as part of the Council packet could also be included on study session agendas under "Council Comments." [See also page 10]

b) Council Packets

Councilmembers shall personally download their Council packet via the City's website on their City provided tablet device.

c) Packet Materials

Council memos: This is a cover memo used by staff to introduce an agenda item. It includes the background on the topic and options for Council consideration as well as a staff recommended action or motion. The options and recommended action or motion should be viewed as aids to Council in making a motion or taking action, but should not be thought of as obligatory, as Council always has the option of making a motion different from what is included on the memo. Generally, by the time an item is ready for a motion, Council has already read, heard, and/or discussed the item at least three times (as an informational item, an administrative report, and lastly as an action item), and the wording of a motion would not normally be controversial, although it is important to state the motion as a motion, such as "I move to" or "I move that" or other similar language.

CHAPTER 2 – Legislative Process



A. Election of Officers and Selection/Operation of Council Committees

1. Election of Officers

Procedures for electing officers are as follows: annually, at the first meeting of the new Council, the members thereof shall appoint a Mayor-pro-tempore. In addition to the powers conferred upon him/her as Mayor-pro-tem, he/she shall continue to have all the rights, privileges and immunities of a member of the Council.

2. Council Committees

a) *Appointments*

At the first meeting of every even year, the Mayor shall appoint two councilmembers and a council chairperson to each standing committee of the Council, subject to confirmation by the city council. In making the appointments, the Mayor shall consider councilmembers' expressed interests and shall attempt to match councilmembers to their committees of choice.

b) *Standing Committees*

Public Safety: To consider policy issues and make policy recommendations to the full Council related to the police department, fire department, municipal court, and emergency management.

Finance and Information Technology: To consider policy issues and make policy recommendations to the full Council related to financial management policies, financial reports, personnel issues including personnel policies, and information technology issues.

Strategic Planning: To consider policy issues and make policy recommendations to the full Council related to development and implementation of the City's strategic plan.

Public Works: To consider policy issues and make policy recommendations to the full Council related to the City's utilities, parks, streets, and other public works related issues.

Planning and Business Development: To consider policy issues and make policy recommendations to the full Council related to long-term planning and growth in the City. In addition, considering policy issues and making policy recommendations related to the attraction of new businesses and the retention of existing businesses within the City.

c) *The Role of City Council Committees*

1. City Council Committees are intended to enhance communication between the Legislative Branch and the Executive Branch in the development of significant public policy action items.
2. These Committees will enable City administration to obtain feedback from representative members of the City Council on issues affecting public policy prior to their presentation, as necessary, to the full City Council.
3. City Council Committee members develop and maintain a deeper level of knowledge on matters of a technical nature which might affect public policy in order to increase the positive exchange of information and discussions between City Council members, City staff, and the public.
4. When appropriate, items may be considered by a City Council Committee before a final recommendation from the appropriate City Board or Commission (i.e., Planning Commission, Parks Board).
5. City Council Committees do not replace the City Council as final decision makers on behalf of the full City Council. Council Committees make no staff direction on administrative matters, specific assignments, or work tasks. If Committee members seek additional information from an outside party or consultant resulting in additional

cost to the City, approval to incur such cost must be approved by the full City Council. City Council committees may take action on policy items in the form of recommendations to the full City Council that the City Council may consider as a first read. When appropriate by meeting the criteria for the consent agenda, these items may appear on the Council's consent agenda for action.

6. Any discussion or feedback expressed or received at a Committee meeting should not be construed or understood to be a decision by or for the City Council. Further, any recommendation the Committee may make to the City Council is based on information possessed by the Committee at the time the recommendation is made and may be revised or amended upon receipt by the Committee of additional or newer information.

d) Operational Guidelines and Functional Structure

1. City Council Committees consist of three Council members, with the exception of one committee that will have two Council members. One Council member will serve as the committee chair. The Mayor may attend and participate in all Committee meetings.
2. No member of the City Council may serve on more than three Committees.
3. Council Committees will meet at least quarterly. The intent of the Council committee structure is to have all Council Committees hold their meetings prior to City Council meetings, with occasional exceptions. One committee meeting would occur prior to each City Council meeting and work session.
4. Council Committees have no delegated authority from the City Council and shall not take testimony from the public.
5. The Staff Liaison will coordinate with the Mayor and City Administrator on the preparation of the agenda to determine whether items will be presented to a Committee or placed on the Council's agenda to be considered by the full City Council. Any item may be recommended to the full Council by the Committee considering that item.
6. The full City Council, by majority vote, may refer any item on its agenda to an appropriate Committee for further review and recommendation.
7. Committee meetings are intended to allow regular attendance by City Council Committee members, as well as the Staff Liaison, staff, the Mayor and the City Administrator, as necessary. In order to prevent inadvertent violations of the Open Public Meetings Act, attendance by non-member Council members that will result in a quorum of the full City Council is prohibited.
8. The regular Council meeting agenda shall include an opportunity for Committee reports at which time any appointed Committee member may report to the Mayor and City Council on pertinent and timely issues before a Committee.

e) E. City Liaison Role

1. The City Administrator serves as an advisor to each City Council Committee; however, each Committee has an identified staff liaison at the Director-level. The responsibilities of the Staff Liaison are as follows:
 - i. Attend all meetings of the City Council Committee. Research information and prepare reports and correspondence as required for the Committee.
 - ii. Provide administrative support to the Committee, including distribution of documents to the Committee as required.
 - iii. Coordinate with the Committee chair to prepare agendas.
 - iv. Schedule meetings.
 - v. Prepare Committee minutes within three weeks of the meeting and submit to the City Clerk for posting and distribution to the full City Council.
 - vi. Serve as the communication link between the Committee and City administration, City departments, and Council as appropriate.

B. Filling Council Vacancies or Extended Absences

1. Filling a Vacancy

If a vacancy occurs on the City Council, the Council shall follow the procedures outlined in RCW 35A.12.050¹³ and Council's adopted procedure in compliance with RCW 35A.12.050¹⁴, as well as RCW 42.12.070. The timeline may vary depending on when the process begins. The City Council has within 90 days of the vacancy to appoint a qualified person to the vacant position. If this timeframe is not met, the City's authority in this matter would cease and the Skagit County Board of Commissioners would appoint a qualified person to fill the vacancy. Public comment will not be taken during this entire process.

2. Procedures for Filling a Council Vacancy

Timeline/Procedure (any of the meetings, dates and times, may be adjusted and/or combined as determined by the Council):

a) Publication

The City Clerk will publish the vacancy announcement inviting citizens of the City who are interested and qualified to sit as a Councilmember, to apply by submitting a letter of interest. Qualifications to sit as a Councilmember are set forth in RCW 35A.12.030. If possible, the vacancy announcement will be published for two consecutive weeks.

b) Deadline for the City Clerk to receive applications shall be no later than 4:00 p.m.

c) Special Meeting, Executive Session, set for . [RCW 42.30.110(1)(h)]

6:00 p.m. Council will meet and adjourn to executive session to review and discuss all of the applications. After the review and discussion, Council will return to Council Chambers and the Special Meeting will be adjourned.

d) Regular Meeting, same evening as above Special Meeting. [RCW 42.30.110(1)(h)]

7:00 p.m. Council will meet in open session and part of this agenda will include selection of applicants to interview. Selection will be by nomination and second. A vote will be taken and candidates receiving three or more votes will be interviewed. Immediately after this Council meeting or as soon as practicable, the Clerk will send a list of potential questions to all those to be interviewed.

e) Regular or Special Meeting, . [RCW 42.30.110(1)(h)]

The interviews will be conducted during an open Council meeting. Each interview will be a maximum of 30 minutes.

f) Executive Session set for [RCW 42.30.110(1)(h)]

Council will meet and adjourn to executive session (closed session) to discuss qualifications of the applicants. After the discussion.

g) Regular or Special Meeting, same evening as above [RCW 42.30.110(1)(h)]

Council will meet in open session and the agenda will include a vote to fill the vacancy. Upon selection of the new Councilmember, that person will be sworn in by the City Clerk, and take their seat at the dais.

3. Interview Questions/Process:

During the interview, each Councilmember and the Mayor may ask each candidate up to three questions. Follow-up questions are to be counted as one of the three questions.2. Candidates will be interviewed in alphabetical order of last name.

4. Nomination and Voting Process:

a) NOMINATION PROCESS.

Councilmembers may nominate an applicant to fill the vacancy. A second is required. If no second is received, that applicant shall not be considered further unless no applicant receives a second, in which case all applicants who were nominated may be considered again. Once the

nominations are given, **the Mayor will close the nominations and Council will proceed to vote.**

b) Voting Process

RCW 42.12.070 states that where one position is vacant, **the remaining members** of the governing body shall **appoint** a qualified person to fill the vacant position. By adoption of this policy, Council has chosen the following process for making such appointment:

A vote for an applicant shall be by voice or raised hand.

The vacancy can only be filled when **a majority of the whole City Council affirmatively votes** for the applicant or in the case of a 3-3 tie, the mayor breaks the tie (See RCW 35A.12.100), i.e. if five City Councilmembers are present, this would require at least four City Councilmembers voting for an applicant. If subsequent rounds of voting are needed, each round of voting follows the same process. The Mayor may ask for Council discussion between voting rounds.

Round One Vote:

The applicant receiving the majority of votes will be the new Councilmember.

If no applicant receives a majority of votes from the City Council, then the three applicants receiving the most affirmative votes would be considered in a second round.

Round Two Vote:

Round Two shall proceed the same as Round One. If one of the three applicants still fails to receive a majority of affirmative votes, then the two applicants of the three who received the most affirmative votes would then be considered in a third round; or if there are only two applicants and they receive tie votes, a third round will be taken. Councilmembers may change their vote between rounds.

Round Three Vote:

Round Three shall proceed the same as Rounds One and Two. If after this round, the vote of the two applicants results in a tie, then the City Supervisor, with concurrence of Council, shall flip a coin to determine who shall fill the vacancy, with the applicant whose last name is closest to the letter "A" being assigned "heads" and the other person assigned "tails." In the rare circumstance where both applicants have the same last name, the applicant whose entire last name is closest to the letter "A" will be assigned "heads" and the other person assigned "tails."

c) Seating of New City Councilmember:

Once an applicant either has received a majority of votes or wins the coin flip, if the appointed applicant is at the meeting, the Mayor shall administer the oath of office, and the new Councilmember will be officially seated as a City Councilmember.

B-1. Filling a Vacancy in the office of Mayor

I. Filling a Vacancy

If a vacancy occurs in the office of Mayor, the Council shall follow the procedures outlined in RCW 35A.12.050 and Council's adopted procedure in compliance with RCW 35A.12.050, as well as RCW 42.12.070. The timeline may vary depending on when the process begins. Pursuant to RCW 35A.12.050, City Council has within 90 days of the vacancy to appoint a qualified person to the vacant position. If this timeframe is not met, the City's authority in this matter would cease and the Skagit County Board of Commissioners would appoint a qualified person to fill the vacancy. Public comment will not be taken during this entire process.

PROCEDURE FOR FILLING A MAYORAL VACANCY

A. Timeline/Procedure (any of the meetings, dates and times, may be adjusted and/or combined as determined by the Council):

1. Candidates

The City Council will appoint a new mayor from among the members of the City Council.

2. Special Meeting, Executive Session, set for _____ . [RCW 42.30.110(1)(h)]

At 6:00 p.m. prior to the next regularly scheduled Council meeting, the Council will meet to solicit interest from councilmembers and adjourn to executive session to review and discuss all of the councilmembers interested in serving as mayor. After the review and discussion, Council will return to Council Chambers and the Special Meeting will be adjourned.

Regular Meeting, same evening as above Special Meeting. [RCW 42.30.110(1)(h)]

6:00 p.m. Council will meet in open session and part of this agenda will include the appointment of a new mayor. The nomination and voting process is detailed at Section A, below.

A. Nomination and Voting Process:

1. NOMINATION PROCESS.

Councilmembers may nominate any councilmember to fill the vacancy. A second is required. If no second is received, that applicant shall not be considered further unless no applicant receives a second, in which case all applicants who were nominated may be considered again. Once the nominations are given, **the Mayor-Pro-Tem will close the nominations and Council will proceed to vote.**

2. VOTING PROCESS. By adoption of this policy, Council has chosen the following process for making such appointment:

a. A vote for an applicant shall be by voice or raised hand.

b. The vacancy can only be filled when **a majority of the whole City Council affirmatively votes** for the applicant, i.e. if five City Councilmembers are present, this would require at least four City Councilmembers voting for an applicant. If subsequent rounds of voting are needed, each round of voting follows the same process. The Mayor-Pro-Tem may ask for Council discussion between voting rounds.

Round One Vote:

The applicant receiving the majority of votes will be the new Mayor.

If no applicant receives a majority of votes from the City Council, then the three applicants receiving the most affirmative votes would be considered in a second round.

Round Two Vote:

Round Two shall proceed the same as Round One. If one of the three applicants still fails to receive a majority of affirmative votes, then the two applicants of the three who received the most affirmative votes would then be considered in a third round; or if there are only two

applicants and they receive tie votes, a third round will be taken. Councilmembers may change their vote between rounds.

Round Three Vote:

Round Three shall proceed the same as Rounds One and Two. If after this round, the vote of the two applicants results in a tie, then the City Supervisor, with concurrence of Council, shall flip a coin to determine who shall fill the vacancy, with the applicant whose last name is closest to the letter “A” being assigned “heads” and the other person assigned “tails.” In the rare circumstance where both applicants have the same last name, the applicant whose entire last name is closest to the letter “A” will be assigned “heads” and the other person assigned “tails.”

D. Seating of the New Mayor:

1. Once an applicant either has received a majority of votes or wins the coin flip, the City Clerk shall administer the oath of office, and the new Mayor will be officially seated as Mayor.

1. Legislative Agenda

Councilmembers work each year (or sometimes every two years) to draft a “legislative agenda” to address Council ideas, suggestions and specific legislative programs in terms of upcoming or pending legislative activity in Olympia that would or could have an effect on our City. Additionally, Councilmembers have the option of creating a similar legislative agenda to address concerns on a national level.

2. Ballot Measures:

a) State Law

RCW 42.17A 555. State law has enacted statutory prohibitions (with limited exceptions) against the use of public facilities to support or oppose ballot propositions:

“No elective official nor any employee of his or her office nor any person appointed to or employed by any public office or agency may use or authorize the use of any of the facilities of a public office or agency, directly or indirectly, for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition. Facilities of a public office or agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of employees of the office or agency during working hours, vehicles, office space, publications of the office or agency, and clientele lists of persons served by the office or agency. However, this does not apply to the following activities:

(1) Action taken at an open public meeting by members of an elected legislative body or by an elected board, council, or commission of a special purpose district including, but not limited to, fire districts, public hospital districts, library districts, park districts, port districts, public utility districts, school districts, sewer districts, and water districts, to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the legislative body, members of the board, council, or commission of the special purpose district, or members of the public are afforded an approximately equal opportunity for the expression of an opposing view.

(2) A statement by an elected official in support of or in opposition to any ballot proposition at an open press conference or in response to a specific inquiry;

(3) Activities which are part of the normal and regular conduct of the office or agency.” [emphasis added]

b) *City's Implementation of RCW 42.17A.555:*

In the City's implementation of RCW 42.17A.555, the City Council shall not, during any part of any Council meeting, consider requests from outside agencies for Council to support or oppose ballot measures; nor will Council permit any public comment on any proposed or pending ballot issue, whether or not such comments seek endorsement or are just to inform Council of upcoming or proposed ballot issues; nor shall Councilmembers disseminate ballot-related information.

c) *Providing Informative Materials to Council*

The requestor has the option of mailing materials to individual Councilmembers via the United States Postal Office. Because even the use of e-mail for ballot purposes could be construed as use of public facilities and could be interpreted as being in violation of RCW 42.17A.555, materials should be sent via regular mail through the United States Postal Office. Information shall be objective only and not soliciting a pro or con position.

d) *Public Comment.*

Council has chosen not to support or oppose ballot issues as those are left to the will of the people voting. The use of any of the City's facilities including the use of the Council chambers and/or broadcast system would likely be construed as being in violation of RCW 42.17A.555 and therefore, general public comment on ballot issues, or proposed ballot issues will not be permitted.

CHAPTER 3 – Council Contacts



A. Citizen Contact/Interactions Outside of a Council Meeting

Per state law, all documents, files, communications and messages created, reviewed or altered that are related to the conduct of City business, regardless of format, are property of the City. As a result, these documents, files, communications and messages are not private or confidential unless otherwise noted in the Revised Code of Washington. The City reserves the right to request, access, monitor, and disclose the contents of electronic messages and any record, regardless of format, related to the conduct of City business on City-issued or personal devices that Council members use. Council members should have no expectation of privacy in either sending or receiving electronic messages, or other information on the Internet, City network or other electronic media related to City Business whether done on their own personal device or on a City issued device. The City may review the public records for legal exemption or redaction pursuant to the Public Records Act RCW

42.56 or other applicable state or federal laws and may provide third party notice providing affected parties the opportunity to file for a court order to prevent or limit disclosure.

1. Concerns, Complaints and Suggestions to Council

When citizen concerns, complaints or suggestions are brought to any, some, or all Councilmembers, the Mayor shall, in consultation with the City Administrator, first determine whether the issue is legislative or administrative in nature and then:

If legislative, and a concern or complaint is about the language or intent of legislative acts or suggestions for changes to such acts, and if such complaint suggests a change to an ordinance or resolution of the City, the Mayor and City Supervisor may refer the matter to a future Council agenda for Council's recommendation in forwarding the matter to a committee, administration, or to the Council for study and recommendation.

If administrative, and a concern or complaint regards administrative staff performance, execution of legislative policy or administrative policy within the authority of the Executive Branch, the complaint is referred directly to the Mayor and/or City Administrator for review, if said complaint has not been so reviewed. The City Council may direct that the Mayor/City Administrator brief the Council when the response is made.

2. Administrative Complaints Made Directly to Individual Councilmembers

When administrative policy or administrative performance complaints are made directly to individual Councilmembers, the Councilmember shall then refer the matter directly to the Mayor or City Administrator for review and/or action. The individual Councilmember may request to be informed of the action or response made to the complaint.

Although citizens' direct access to elected officials is to be encouraged to help develop public policy, City Councilmembers should not develop a "personal intervention" pattern in minor calls for service or administrative appeals which may actually delay a timely customer service response. The best policy is to get the citizen into direct contact with customer service unless an unsatisfactory result has occurred in the past. In that case, refer to the paragraph above.

3. Social Media

Councilmembers shall not use their personal social media platforms as a mechanism for conducting official City business. Personal social media accounts should be identified by the Councilmember as such and a disclaimer added that indicates the views expressed are those of the individual member, not those of the City. Examples of what may not be communicated through the use of personal social media platforms include making policy decisions, official public noticing, and discussing items of legal or fiscal significance to the City. Social media accounts created specifically for the purpose of communicating with constituents must be retained as public records using SMARSH. As with telephone and e-mails,

communication between and among Councilmembers via social media could constitute a “meeting” under the Open Public Meetings Act, and for this reason, Councilmembers are strongly discouraged from “friending” other Councilmembers.

4. Text Messages

Text Messages generated or received by individual Councilmembers for conducting City business on any personal device whether issued by the City or not, are subject to public disclosure laws and records retention schedules. Text messages must be retained and archived according to City and State retention schedules. Councilmembers are responsible for preserving all City business records on their personal devices, systems and servers.

B. Staff Contacts and Interactions

1. Role of the City Administrator

The City Administrator is the chief appointed officer of the City of Sedro-Woolley. The City Administrator reports to the Mayor and is directly accountable to the Mayor and City Council for the execution of the City Council's policy directives, and for the administration and management of all City departments.

2. City Staff Attendance at Meetings

The City Administrator or his/her designee shall attend all meetings of the City Council, unless excused by the Mayor or Council.

3. City Clerk – Minutes

The City Clerk, or in the Clerk's absence the Deputy City Clerk, shall keep minutes as required by law, and shall perform such other duties in the meeting as may be required by the Council or Mayor. In the absence of the City Clerk and the Deputy City Clerk, the City Clerk shall appoint a replacement to act as Clerk during the Council meeting. The Clerk shall keep minutes which identifies the general discussion of the issue and complete detail of the official action or agreement reached, if any. As a rule and when possible and practical, regular meetings, or those Council meetings held at 6 p.m. on Wednesdays, (includes only formal format meetings) shall be both audio and video-recorded. Executive Sessions shall not be video or audio recorded.

Original, signed and approved minutes shall be kept on file in the City Clerk's office and archived according to State Record Retention Schedules. Copies of the approved minutes shall also be posted on the City's website as soon as practical after such minutes are approved and signed. Whenever possible, video recordings of Council meetings shall be posted on the City's website.

4. Administrative Interference by Councilmembers

Neither the Council nor any of its committees or members shall direct or request the appointment of any person to, or his/her removal from, any office by the Mayor or any of his/her subordinates. Except for the purpose of inquiry, the Council and its members shall deal with the administrative branch solely through the Mayor and/or City Administrator and neither the Council nor any committee or member thereof shall give any directives, tasks, or orders to any subordinate of the Mayor, either publicly or privately; provided, however, that nothing herein shall be construed to prohibit the Council, while in open session, from fully and freely discussing with the Mayor and/or City Administrator anything pertaining to appointments and removals of City officers and employees and City affairs.

5. Informal Communications Encouraged

Members of the Council are encouraged to interact informally and casually with City staff for the purpose of gathering information, obtaining explanations of policies and programs or providing incidental information to staff relevant to their assignment. Such informal contacts can serve to promote better understanding of specific City functions and problems. However, Councilmembers must be careful in such interaction to avoid giving direction or advice to members of City staff. While maintaining open lines of communication, City staff responding to information requests from Councilmembers will inform their supervisor of such contact and provide the supervisor with the same information shared with the Councilmember.

CHAPTER 4 – Hearings



A. General Public Hearings

1. Purpose

Legislative public hearings are hearings held to obtain public input on legislative decisions on matters of policy. Legislative public hearings are required by state law when a city or county addresses matters such as comprehensive land use plans, or the annual budget. They are generally less formal than quasi-judicial public hearings. They do not involve the legal rights of specific, private parties in a contested setting, but rather affect a wider range of citizens or perhaps the entire jurisdiction. The wisdom of legislative decisions reached as a result of such hearings is not second-guessed by the courts; if challenged, they are reviewed only to determine if they are constitutional or violate state law. For example, a court will not review whether the basic budgetary decisions made by a city were correctly made.

2. Legislative Public Hearings

State statutes do not specify how public hearings should be conducted. Because legislative hearings are generally informal, the main concern is to provide an opportunity for all attending members of the public to speak if they so desire. Time limits should be placed on individual comments if many people are intending to speak, and the public should be advised that comments must relate to the matter at hand. The “ground rules” for the conduct of the hearing may be stated by the Presiding Officer at the beginning of the hearing:

- a) All public comments shall be made from the speaker’s podium, shall be directed to the Mayor and Council, and any individual making comments shall first give their name and city of residence. This is required because an official recorded transcript of the public hearing is being made.
- b) No comments shall be made from any other location, and anyone making “out of order” comments shall be subject to removal from the meeting.
- c) Unless otherwise determined by the Presiding Officer, all comments by the public shall be limited to three minutes per speaker.
- d) There will be no demonstrations, applause or other audience participation, before, during or at the conclusion of anyone’s presentation. Such expressions are disruptive and take time away from the speakers.
- e) Unless read and/or handed in by the individual speaker during the public hearing, previously received written public comments will be read by the City Clerk at the pleasure of the Mayor. In the interest of time, the Mayor may limit the reading of such comments, to the Clerk reading whom the letter or written material is from, and if easily discernible, whether that person is for or against the issue at hand. All written comments become an official part of the record.
- f) These rules are intended to promote an orderly system of holding a public hearing, to give persons an opportunity to be heard, and to ensure that individuals are not embarrassed by exercising their right of free speech.

The Presiding officer declares the public hearing on _____ (topic) open, notes the time for such opening, and asks staff to make their presentation.

After staff presentations, the Presiding Officer calls for public comments.

The Presiding Officer asks if any members of Council have questions of any of the speakers or staff. If any Councilmember has questions, the appropriate individual will be recalled to the podium.

The Presiding Officer declares the public hearing closed and notes the time for such closing.

B. Quasi-Judicial Hearings

1. Purpose

Quasi-judicial public hearings involve the legal rights of specific parties, and the decisions made as a result of such hearings must be based upon and supported by the “record” developed at the hearing. Quasi-judicial hearings are subject to stricter procedural requirements than legislative hearings. Most quasi-judicial hearings held by local government bodies involve land use matters, including site specific rezones, preliminary plats, variances, and conditional uses. (*MRSC Public Hearings When and How to Hold Them by Bob Meinig, MRSC Legal Consultant August 1998*)

2. Specific Statutory Provisions

- a) Candidates for the City Council may express their opinions about pending or proposed quasi-judicial actions while campaigning, per RCW 42.36.04015, except that sitting Councilmembers shall not express their opinions on any such matter which is or may come before the Council.
- b) Ex-parte communications should be avoided whenever possible. During the pendency of any quasi-judicial proceeding, no Councilmember may engage in ex parte communications with proponents or opponents about a proposal involved in the pending proceeding unless the Councilmember: (1) places on the record the substance of such verbal or written communications; and (2) provides that a public announcement of the content of the communication and of the parties’ rights to rebut the substance of the communication shall be made at each hearing where action is taken or considered on the subject. This does not prohibit correspondence between a citizen and his or her elected official if the correspondence is made a part of the record, when it pertains to the subject matter of a quasi-judicial proceeding. (RCW 42.36.06016)
- c) Procedure On Application. Any person making application for any action leading to a quasi-judicial hearing before the Planning Commission and/or City Council shall be provided with a document containing the following information: (1) the names and address of all members of the City Council, and the Planning Commission, (2) a statement that public disclosure information is available for public inspection regarding all such Councilmembers, and (3) a statement that if the applicant intends to raise any appearance of fairness issue, the applicant should do so at least two weeks prior to any public hearing, if the grounds for such issue are then known and in all cases, no later than before the opening of the public hearing. The applicant shall sign a receipt for such document.

3. Appearance of Fairness Doctrine

- a) “The test of whether the Appearance of Fairness Doctrine has been violated is ... as follows: Would a disinterested person, having been apprised of the totality of a board member's personal interest in a matter being acted upon, be reasonably justified in thinking that partiality may exist? If answered in the affirmative, such deliberations, and any course of conduct reached thereon, should be voided.” *Swift vs. Island County*, 87 Wn.2d 348 (1976); *Smith vs. Skagit County*, 75 Wn.2d 715 (1969).
- b) Types of Hearings to Which the Doctrine Applies. The Appearance of Fairness Doctrine shall apply only to those actions of the Council which are quasi-judicial in nature. Quasi-judicial actions are defined as actions of the City Council which determine the legal rights, duties, or privileges of specific parties in a hearing or other contested proceeding. Quasi-judicial actions do not include the legislative actions adopting, amending, or revising comprehensive, community, or neighborhood plans or other land use planning documents or the adoption of area-wide zoning ordinances or the adoption of a zoning amendment that is of area-wide (versus site-specific) significance (RCW 42.36.01017). Street vacations are typically legislative actions, unless clearly tied to, and integrated into, a site-specific development proposal which is quasi-judicial in nature.

c) Obligations of Councilmembers - Procedure.

1. Immediate self-disclosure of interests that may appear to constitute a conflict of interest is hereby encouraged. Councilmembers should recognize that the Appearance of Fairness Doctrine does not require establishment of a conflict of interest, but whether there is an appearance of conflict of interest to the average person. This may involve the Councilmember or a Councilmember's business associate, or a member of the Councilmember's immediate family. It could involve ex parte (outside the hearing) communications, ownership of property in the vicinity, business dealings with the proponents or opponents before or after the hearing, business dealings of the Councilmember's employer with the proponents or opponents, announced predisposition, and the like. Prior to any quasi-judicial hearing, each Councilmember should give consideration to whether a potential violation of the Appearance of Fairness Doctrine exists. If the answer is in the affirmative, no matter how remote, the Councilmember should disclose such facts to the Mayor who will seek the opinion of the City Attorney as to whether a potential violation of the Appearance of Fairness Doctrine exists. The Mayor and/or City Attorney shall communicate such opinion to the Councilmember.
2. Anyone seeking to disqualify a Councilmember from participating in a decision on the basis of a violation of the Appearance of Fairness Doctrine must raise the challenge as soon as the basis for disqualification is made known, or reasonably should have been made known, prior to the issuance of the decision. Upon failure to do so, the doctrine may not be relied upon to invalidate the decision consistent with state law. The party seeking to disqualify the Councilmember shall state with specificity the basis for disqualification; for example: demonstrated bias or prejudice for or against a party to the proceedings, a monetary interest in outcome of the proceedings, prejudgment of the issue prior to hearing the facts on the record, or ex parte contact. Should such challenge be made prior to the hearing, the City Attorney shall interview the Councilmember and render an opinion as to the likelihood that an Appearance of Fairness Doctrine violation would be sustained in Superior Court. Should such challenge be made in the course of a quasi-judicial hearing, the Councilmember shall either recuse him/herself or the Mayor shall call a recess to permit the City Attorney to make such interview and render such opinion.
3. The Mayor shall have authority to request a Councilmember to excuse him/herself on the basis of an Appearance of Fairness Doctrine violation. Further, if two or more Councilmembers believe that an Appearance of Fairness Doctrine violation exists, such individuals may move to request a Councilmember to excuse him/herself on the basis of an Appearance of Fairness Doctrine violation. In arriving at this decision, the Mayor or other Councilmembers shall give due regard to the opinion of the City Attorney.

d) When Council conducts a hearing to which the Appearance of Fairness Doctrine applies, the Mayor (or in the case of a potential violation by that individual, the Mayor Pro Tem) will ask if any Councilmember knows of any reason which would require such member to excuse themselves pursuant to the Appearance of Fairness Doctrine. The form of the announcement is as follows:

All Councilmembers should now give consideration as to whether they have:

1. A demonstrated bias or prejudice for or against any party to the proceedings;
2. A direct or indirect monetary interest in the outcome of the proceedings;
3. A prejudgment of the issue prior to hearing the facts on the record; or
4. Had ex parte contact with any individual, excluding administrative staff, with regard to an issue prior to the hearing. If any Councilmember should answer in the affirmative, then the Councilmembers should state the reason for his/her answer at this time, so that the Chair may inquire of administration as to whether a violation of the Appearance of Fairness Doctrine exists.

CHAPTER 5 - Disclaimer



A. Disclaimers

1. Purpose

These City Council Rules of Procedure are designed to provide guidance for the City Council. They are not to be considered restrictions or expansions of City Council authority. These rules have been prepared from review of many statutes, ordinances, court cases and other sources but they are not intended to be an amendment or substitute for those statutes, ordinances, court decisions or other authority.

2. Use

No action taken by a Councilmember or by the Council which is not in compliance with these rules, but which is otherwise lawful, shall invalidate such Councilmember's or Council action or be deemed a violation of oath of office, misfeasance or malfeasance. No authority other than the City Council may enforce these rules or rely on these rules. Failure of the City Council to follow any of these rules shall be considered a Council decision to waive such rule. No notice of such waiver need be given.

3. Reliance

Public Use or Reliance Not Intended. Because these rules are designed to assist the City Council and not to provide substantive rules affecting constituents, it is expressly stated that these rules do not constitute land use regulations, official controls, "appearance of fairness rules," public hearing rules, or other substantive rules binding upon or to be used by or relied upon by members of the public. These rules do not amend statutory or other regulatory (such as ordinance) requirements.

Appendix

Appendix A: Definitions

Action: All transactions of a governing body's business, including receipt of public testimony, deliberations, discussions, considerations, reviews, and evaluations, as well as "final" action. [RCW 42.30.010¹⁸, 42.30.020(3)¹⁹].

Codified: The process of forming a legal code (i.e., a codex or book of laws) by collecting and including the laws of a jurisdiction or municipality.

Consensus: A collective judgment or belief; solidarity of opinion: *"The consensus of the group was that they should meet twice a month.* General agreement or harmony. [Random House Webster's College Dictionary, April 2001] [Wikipedia: explains it as a group decision making process; not necessarily the agreement. In other words, the question to the group is: "Is this something you can live with?" or, Does anyone object?] It is not unanimity, but more a process for deciding what is best overall. Members of the group reach a decision to which they **consent** because they know it is the best one overall. It differs from voting which is a procedure for tallying preferences. Sometimes knowing there will be an up-down vote at the end often polarizes the discussion. It does not require each member of the group to justify their feelings. [Taken from: *Consensus Is Not Unanimity: Making Decisions Cooperatively*, by Randy Schutt. "] Similar to a type of verbal "show of hands" on who feels particularly strong on this?" Sometimes thought of as preliminary approval without taking final "action." A show of hands is not an action that has any legal effect. ["Voting and Taking Action in Closed Sessions" by Frayda Bulestein.]

Ex-parte: from a one-sided or partisan point of view; on the application of one party alone. An ex-parte judicial proceeding is conducted for the benefit of only one party. Ex-parte may also describe contact with a person represented by an attorney, outside the presence of the attorney.

Motion: An enacted motion is a form of action taken by the Council to direct that a specific action be taken on behalf of the municipality. A motion, once approved and entered into the record, is the equivalent of a resolution in those instances where a resolution is not required by law, and where such motion is not in conflict with existing state or federal statutes, City ordinances or resolutions.

Ordinance: An enacted ordinance is a law passed [enacted] by a municipal organization legislatively prescribing specific rules of organization or conduct relating to the corporate affairs of the municipality and those citizens and businesses therein. Council action shall be taken by ordinance when required by law, or where prescribed conduct may be enforced by penalty. Special ordinances such as adopting the budget, vacating a street, amending the Comprehensive Plan and/or Map, and placing a matter on an election ballot, including general obligation bonds, are not codified into the City's municipal code.

Resolution: An enacted resolution is an administrative act which is a formal statement of policy concerning matters of special or temporary character. Council action shall be taken by resolution when required by law and in those instances where an expression of policy more formal than a motion is desired.

Regular Meeting: Any Council meeting that meets in the Sedro-Woolley City Council Chambers or the Fire Department Training Room on the First, Second and Fourth Wednesdays at 7:00 p.m. shall be deemed a "regular meeting."

Social Media: A term used to define the various activities that integrate technology, social interaction and content creation. Through social media, individuals or collaborations of individuals create on-line web content, organize content, edit or comment on content, combine content, and share content. Social media uses many technologies and forms including syndicated web feeds, weblogs (blogs), wiki, photo-sharing, video-sharing, podcasts, and social networking. (From MRSC, and Social Media and Web2.0 in Government, WebContent.gov)

Appendix B: Frequently Used Acronyms

ADA - Americans with Disabilities Act

ADT - Average Daily Traffic

ATF - Bureau of Alcohol, Tobacco & Firearms

AWC - Association of Washington Cities

BOCC - Board of County Commissioners

CAFR - Comprehensive Annual Financial Report

CDBG - Community Development Block Grant

CIAW - Cities Insurance Authority of Washington

CIP - Capital Improvement Plan

CTED - Community, Trade, & Economic Development (now Department of Commerce)

CUP - Conditional Use Permit

DEIS - Draft Environmental Impact Statement

DEM - Department of Emergency Management

DNR - Department of Natural Resources

DNS - Declaration of Non-Significance

DOE - Department of Ecology; Department of Energy

DOT - Department of Transportation

E911 - Enhanced 911

EA - Environment Assessment

EDASC - Economic Development Alliance of Skagit County

EEO/AA - Equal Employment Opportunity/Affirmative Action

EEOC - Equal Employment Opportunity Commission

EIS - Environmental Impact Statement

EOE - Equal Opportunity Employer

EPA - Environmental Protection Agency

ERU - Equivalent Residential Unit (for measuring sewer capacity and demand)

F & WS - Federal Fish & Wildlife Service

FAA - Federal Aviation Administration

FCC - Federal Communications Commission

FEIS - Final Environmental Impact Statement

FEMA - Federal Emergency Management Agency

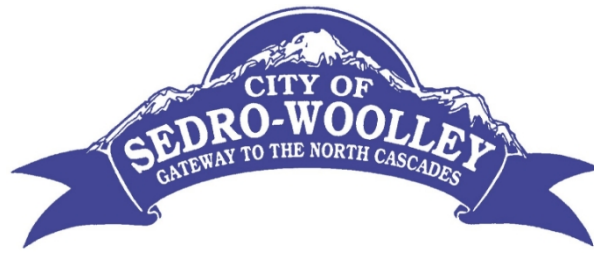
FICA - Federal Insurance Contribution Act

FIRM - Flood Insurance Rate Maps
FLSA - Fair Labor Standards Act
FMLA - Family Medical Leave Act
GAAP - Generally Accepted Accounting Principles
GASB - Governmental Accounting Standards Board
GIS - Geographic Information System
GMA - Growth Management Act
GPM - Gallons Per Minute
HOV - High-Occupancy Vehicle
HR - Human Resources
HUD - Housing & Urban Development (Department of)
ICMA - International City/County Management Association
L & I - Labor & Industries (Department of)
LID - Local Improvement District
MGD - Million Gallons per Day
MOA - Memorandum of Agreement
MOU - Memorandum of Understanding
MPO - Metropolitan Planning Organization
MRSC - Municipal Research Services Center
NEPA - National Environment Policy Act
NIMBY - Not In My Backyard
NPDES - National Pollutant Discharge Elimination System
PE - Preliminary Engineering; Professional Engineer
PERC - Public Employment Relations Commission
PMS - Pavement Management System
PPE - Personal Protective Equipment
PPM - Parts Per Million; Policy & Procedure Manual
PUD - Public Utility District
PW - Public Works
QA - Quality Assurance
RCW - Revised Code of Washington
REET - Real Estate Excise Tax
RONR - *Robert's Rules of Order Newly Revised*
ROW - Right of Way
SAO - State Auditor's Office

SBA - Small Business Administration
SEPA - State Environmental Policy Act
SMA - Shorelines Management Act
SWAC - Solid Waste Advisory Committee
TIB - Transportation Improvement Board
TIP - Transportation Improvement Program
TMDL - Total Maximum Daily Load
UBC - Uniform Building Code
UFC - Uniform Fire Code
UGA - Urban Growth Area
WAC - Washington Administrative Code
WACO - Washington Association of County Officials
WCMA - Washington City/County Management Association
WSDOT - Washington State Department of Transportation
WSP - Washington State Patrol
WUTC - Washington Utilities & Transportation Commission
WWTP - Wastewater Treatment Plant

Endnotes:

- ¹ RCW 42.30.110 – Open Public Meeting Act, Executive Sessions
- ² RCW 42.30.140- Open Public Meeting Act,
- ³ RCW 35A.13.035- Optional Municipal Code (35A) – Council-manager plan of government
- ⁴ RCW 42.52 – Ethics in Public Service
- ⁵ RCW 42.56 – Public Records Act
- ⁶ RCW 35A.12.160 Optional Municipal Code (35A) – Council manager plan of government; public notice of hearings and meeting agendas
- ⁷ RCW 35A.13.170 – Optional Municipal Code (35A) – Council manager plan of government; council meetings – quorum, rules - voting
- ⁸ RCW 35A.12.110 – Council meetings, shall meet regularly, at least once a month.
- ⁹ RCW 35A.12.110 – *ibid.*
- ¹⁰ RCW 42.30.080 - Open Public Meetings Act, Special Meetings, procedures for calling Special Meetings
- ¹¹ RCW 35A.12.060 – A council position shall become vacant if the councilmember fails to attend three consecutive regular meetings of the council without being excused by the council.
- ¹² RCW 35A.13.190 – Ordinances, emergencies, may be effective upon adoption if passed by a majority plus one of the whole membership of the council and have the ordinance designated as a public emergency; but such ordinance may not levy taxes, grant, renew or extend a franchise, or authorize the borrowing of money.
- ¹³ RCW 35A.12.050 – Vacancies
- ¹⁴ RCW 35A.12.050 – *ibid.*
- ¹⁵ RCW 42.36.040 – Appearance of Fairness – public discussion by candidate for public office
- ¹⁶ RCW 42.36.060 – Quasi-judicial proceedings, ex-parte communications prohibited, exceptions.
- ¹⁷ RCW 42.36.010 Appearance of fairness doctrine – local land use decisions.
- ¹⁸ RCW 42.30.010 - Open Public Meetings Act; legislative declaration. It is the intent of this chapter that their actions be taken openly and that their deliberations be conducted openly.
- ¹⁹ RCW 42.30.020(3) – Definitions – defines “action”



City Council Agenda Item

Agenda Item No.: f.4.

Date: January 7, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Professional Service Contract - Azavar - Sales Tax Audit

RECOMMENDED ACTION:

Motion to bring professional service agreement with Azavar Audit Solutions for a city sales tax audit back to council for a second read.

BACKGROUND/SUMMARY INFORMATION:

A city sales tax audit is an official examination to ensure businesses have accurately coded their sales tax to the City of Sedro-Woolley.

The draft agreement is attached.

FISCAL IMPACT, IF APPROPRIATE:

The City would pay Azavar an amount equal to forty-five percent (45%) of any new revenues, savings, or prospective funds received for a period of thirty-six (36) months.

ATTACHMENTS:

1. 04899Sedro - Sedro-Woolley Azavar Professional Services Agmt TG0904v3 mp clean



Professional Services Agreement

Azavar Agreement

Created by:

Tom Fagan
Azavar

Prepared for:

Charlie Bush
City of Sedro-Woolley

Professional Services Agreement

This Professional Services Agreement (this “Agreement”) is made and entered into on the 30th day of August 2025, by and between Azavar Audit Solutions, Inc. (DBA Azavar Government Solutions), an Illinois corporation having its principal place of business at 55 East Jackson Boulevard, Suite 2100, Chicago, Illinois 60604 (“Azavar”), and the City of Sedro-Woolley, a Washington municipal corporation having its principal place of business at 325 Metcalf Street Sedro-Woolley, Washington 98284 (“Customer”).

1. SCOPE OF SERVICES

- 1.1** Subject to the following terms and conditions, Azavar shall provide professional management, government, revenue and tax, and computer consulting services (“Services”) in accordance with written statements of work agreed to by the parties (each, a “Statement of Work”) attached hereto as Exhibit A, which may be subsequently amended by the parties. Each Statement of Work and any subsequent amendments thereto shall be executed on behalf of each of the parties, whereupon it shall be deemed incorporated herein by reference as though fully set forth herein. The parties agree that certain Statements of Work may be delegated by Azavar to different affiliates or entities that shall operate under the terms set forth in this Agreement.
- 1.2** Azavar shall be responsible for providing the Services in substantial accordance with each Statement of Work. Azavar will render the services provided under this Agreement in a workmanlike manner in accordance with industry standards.
- 1.3** Customer agrees to provide reasonable facilities and space should Azavar work on Customer’s premises as may be reasonably required for the performance of the Services set forth in this Agreement and in any Exhibit hereto.

2. INDEPENDENT CONTRACTOR

Azavar acknowledges and agrees that the relationship of the parties hereunder shall be that of independent contractor and that neither Azavar nor its employees shall be deemed to be an employee of Customer for any reason whatsoever. Neither Azavar nor Azavar’s employees shall be entitled to any Customer employment rights or benefits whatsoever.

3. PAYMENT TERMS

Customer shall compensate Azavar the fees set forth in each Statement of Work. Azavar shall be entitled to compensation for time which is actually spent providing the Services set forth in each Statement of Work. Azavar shall submit an invoice to Customer on a monthly or quarterly basis detailing the amounts charged to Customer pursuant to the terms of this Agreement and each Statement of Work hereto. If recovery amounts are paid to Customer, after Customer receipt, Customer shall remit payment to Azavar within thirty (30) days of the date of each invoice. Azavar shall be entitled to recover all costs of collection including, but not limited to, finance charges, interest at the rate of one percent (1%) per month, reasonable attorney’s fees, court costs, and collection service fees and costs for any efforts to collect fees from the Customer.

4. CONFIDENTIAL INFORMATION

- 4.1** Each party acknowledges that in the performance of its obligations hereunder, either party may have access to information belonging to the other which is proprietary, private and highly confidential (“Confidential Information”). Each party, on behalf of itself and its employees, agrees not to disclose to any third party any Confidential Information to which it may have access while performing its obligations hereunder without the written consent of the disclosing party which shall be executed by an officer of such disclosing party. Confidential Information does not include: (i) written information legally acquired by either party prior to the negotiation of this Agreement, (ii) information which is or becomes a matter of public knowledge, (iii) information which is or becomes available to the recipient party from third parties and such third parties have no confidentiality obligations to the

Professional Services Agreement

disclosing party, and (iv) information subject to disclosure under any state or federal laws. Notwithstanding the foregoing, all public records shall be made available for public inspection and copying in accordance with the Public Records Act of the State of Washington and Azavar shall supply public records and cooperate with Customer in responding to public records requests at no extra charge to customer.

- 4.2 Azavar agrees that any work product or any other data or information that is provided by Customer in connection with the Services shall remain the property of Customer, and shall be returned promptly upon demand by Customer, or if not earlier demanded, upon expiration of the Services provided under each Statement of Work hereto.

5. INTELLECTUAL PROPERTY

- 5.1 No work performed by Azavar or any Consultant with respect to the Services or any supporting or related documentation therefore shall be considered to be a Work Made for Hire (as defined under U.S. copyright law) and, as such, shall be owned by and for the benefit of Azavar. In the event that it should be determined that any of such Services or supporting documentation qualifies as a "Work Made for Hire" under U.S. copyright law, then Customer will and hereby does assign to Azavar, for no additional consideration, all right, title, and interest that it may possess in such Services and related documentation including, but not limited to, all copyright and proprietary rights relating thereto. Provided, that Customer shall be entitled to copies of all documents reflecting said work, and if the document is deemed a public record, the original of such record. Upon request, Customer will take such steps as are reasonably necessary to enable Azavar to record such assignment. Customer will sign, upon request, any documents needed to confirm that the Services or any portion thereof is not a Work Made for Hire and/or to effectuate the assignment of its rights to Azavar within the limitations of this paragraph.
- 5.2 Under no circumstance shall Customer have the right to distribute or make public any information or software containing, or based upon, Confidential Information of Azavar to any third party without the prior written consent of Azavar which must be executed by a senior officer of Azavar.

6. DISCLAIMER

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AZAVAR DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES RENDERED UNDER THIS AGREEMENT OR THE RESULTS OBTAINED FROM AZAVAR'S WORK, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL AZAVAR BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR INDIRECT DAMAGES, OR FOR ACTS OF NEGLIGENCE THAT ARE NOT INTENTIONAL OR RECKLESS IN NATURE.

7. TERMINATION

- 7.1 This Agreement shall be effective ("Term") from the date first written above and shall continue thereafter until terminated upon 90 days' written notice by Customer or Azavar ("Initial Term"). Any termination shall terminate the then term, the right to renew and any automatic renewal terms ("Renewal Terms"). The Initial Term shall be for a thirty-six (36) month period, beginning on the first day of the execution of this Agreement. Upon completion of the Initial Term, this Agreement shall automatically renew for the Renewal Terms, as successive twelve (12) month periods, unless previously terminated. A Party may terminate one or more of a Statement of Work, without terminating either this Agreement or another Statement of Work.
- 7.2 Termination for any cause or under any provision of this Agreement shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to either party. But termination on the

Professional Services Agreement

notice provided in paragraph 7.1 shall not be grounds for any claim or right of action.

- 7.3 The provisions set forth above in Section 3 (Payment Terms), Section 4 (Confidential Information), and Section 5 (Intellectual Property) and below in Section 9 (Assignment), Section 10 (Non-Solicitation of Employees), and Section 11 (Use of Customer Name) shall survive termination of this Agreement.

8. NOTICES

Any notice made in accordance with this Agreement shall be sent by certified mail or by overnight express mail:

If to Avazar:

General Counsel

Azavar Audit Solutions, Inc.
55 East Jackson Boulevard
Suite 2100
Chicago, Illinois 60604

If to Customer:

Mayor
City of Sedro-Woolley
325 Metcalf Street
Sedro-Woolley, WA 98284

9. ASSIGNMENT

Neither party may assign this Agreement or any of its rights hereunder without the prior written consent of the other party hereto, except Azavar shall be entitled to assign its rights and obligations under this Agreement in connection with a sale of all or substantially all of Azavar's assets.

10. NONSOLICITATION OF EMPLOYEES

During the period in which any Exhibit to this Agreement is in effect and for a period of twelve (12) months thereafter, each party agrees it will not, without the prior written consent of the other party, solicit the employees of the other party for the purpose of offering them employment; provided, however, that good faith solicitations by way of mass media (i.e., newspapers, internet) shall not be deemed to be a violation of this Section.

11. INDEMNITY

- 11.1 **Indemnification / Hold Harmless.** Azavar shall defend, indemnify and hold Customer, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of Azavar in performance of this Agreement, except for injuries and damages caused by the sole negligence of Customer.
- 11.2 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 Azavar and Customer, its officers, officials, employees, and volunteers, Azavar's liability, including the duty and cost to defend, hereunder shall be only to the extent of Azavar's negligence.
- 11.3 It is further specifically and expressly understood that the indemnification provided herein constitutes Azavar'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.

12. INSURANCE

- 12.1 **Insurance Term.** Azavar shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Azavar, its agents, representatives, or employees.
- 12.2 **No Limitation.** Azavar's maintenance of insurance as required by the agreement shall not be construed to limit

Professional Services Agreement

the liability of Azavar to the coverage provided by such insurance, or otherwise limit Customer's recourse to any remedy available at law or in equity.

12.3 Minimum Scope of Insurance. Azavar shall obtain insurance of the types described below:

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

12.4 Minimum Insurance Limits. Azavar shall maintain the following insurance limits:

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

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

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

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

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

12.9 Claims-made Basis. Unless approved by Customer, all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. Customer may require an extended reporting endorsement on any approved "Claims-made" policy.

Professional Services Agreement

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

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

13. USE OF CUSTOMER NAME

Customer hereby consents to Azavar’s use of Customer’s name in Azavar’s marketing materials; provided, however, that Customer’s name shall not be so used in such a fashion that could reasonably be deemed to be an endorsement by Customer of Azavar.

14. COMPLETE AGREEMENT

This Agreement, along with each Statement of Work attached hereto from time to time, contains the entire Agreement between the parties hereto with respect to the matters specified herein. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

Azavar Audit Solutions, Inc.

City of Sedro-Woolley

By _____
Name: Jason Perry
Title: CEO and President

By _____
Name: Julia Johnson
Title: Mayor



Exhibit A – Statement of Work

Azavar Agreement

Created by:

Tom Fagan
Azavar

Prepared for:

Charlie Bush
City of Sedro-Woolley

Exhibit A – Statement of Work

This Statement of Work (“Statement of Work”) is made and entered into on this is made and entered into on the 30th day of August 2025 by and between Azavar Audit Solutions, Inc. (DBA Azavar Government Solutions), an Illinois corporation having its principal place of business at 55 East Jackson Boulevard, Suite 2100, Chicago, Illinois 60604 (“Azavar”), and the City of Sedro-Woolley a Washington municipal corporation having its principal place of business at 325 Metcalf Street Sedro-Woolley, Washington 98284 (“Customer”). WHEREBY the parties entered into a Professional Services Agreement (“Agreement”) by signature by the parties attached hereto on 30th day of August 2025.

1. COMPLIANCE AUDITS & ONGOING REVENUE MAXIMIZATION AND MONITORING SERVICES.

In addition to the Services and work defined in the Agreement, Services shall be provided in substantial accordance with the below statements:

- 1.1** Azavar, as Customer’s authorized agent and third-party administrator (“TPA”), shall undertake a Local Government Revenue Compliance Audit, Maximization, and Monitoring Program (“Revenue TPA Program”) on behalf of the Customer. As part of the Revenue TPA Program Azavar shall, on behalf of the Customer, separately review, audit, maximize, and regularly monitor for the Term of this Statement of Work any and all sources of Customer revenue and related expenses (“Audits”), including related to Customer’s tax levies under Title 3 Revenue and Finance Sedro-Woolley Municipal Code but not limited to, each sales, utility, occupation, admission, lodging and use tax.

Nothing herein shall prohibit or limit the Customer from amending or repealing any tax levy established by the Customer’s municipal code. The purpose of each Audit is to determine past, present, and future taxes, or any other recoveries, refunds, monies or revenue owed to the Customer that were not properly attributed to the Customer or were not properly paid or collected and to determine future taxes, owed to the Customer not previously counted so that Customer can collect these past, present, and future monies. Federal and state law, the Customer’s own local ordinances and databases, any agreements, contracts or bills between Customer and Auditee are used by Azavar to conduct the Audits and Azavar will present to Customer in writing during the course of the Audits reports detailing compliance findings and findings of monies paid, due, or potentially due to the Customer for review by the Customer per Auditee (“Findings”). Where already allowable by existing Customer contracts or agreements or federal, state, or local laws or ordinances, this Statement of Work authorizes Azavar to correct any prospective errors and make a reasonable effort to collect monies due to the Customer under such applicable laws, local ordinances, or contracts. Additionally, Azavar shall regularly monitor all revenues and related expenditures monthly during the Term of this Agreement and shall make any corrections accordingly. Azavar shall review Customer ordinances and shall present Findings to Customer to maximize Customer revenues as part of the Audits, and where such Findings requires a change into the future, Azavar will only implement such change after Customer has reviewed and agreed to in writing any such change. Customer understands that Findings may include, but are not limited to, changes to technology, organizational processes, process automation, Customer communication practices, Customer governing practices, and/or updates to local ordinances or the codification thereof. Customer agrees that any Findings, whether implemented in whole or in part by Azavar or the Customer, shall be fully compensable under Section 2 of this Statement of Work, including wherein the Findings require any amendments to an ordinance and wherein the ordinance is changed. Customer agrees to review any Findings within thirty (30) days; Monies collected by Azavar shall be promptly remitted to Customer.

- 1.2** Customer hereby represents that it is not engaged in any Audits as contemplated under this Statement of Work and shall therefore pay Azavar the fees set forth in this Agreement for any Findings made by Azavar. Customer agrees during the Term of this Statement of Work that it shall not initiate or engage in any Audits, changes to any ordinances related to any Audits, or execution or renewal of any contracts or agreements related to any Audits as contemplated under this Statement of Work without Azavar’s prior written consent.

Exhibit A – Statement of Work

- 1.3 In order to perform the Audits, Azavar shall require full access to Customer records and Auditee records. Such access shall not include access to Customer or Auditee computer systems. Customer shall use its authority as necessary to assist in acquiring information and procure data from Auditees. Customer agrees that it shall cooperate with Azavar, provide any documentation and records requested by Azavar, and provide continued access (prior to, during, and following any Audits) to documentation and records, and shall engage in meetings with Auditees when requested by Azavar. Customer may withhold information that is exempt from public disclosure. Customer shall notify Azavar of any Auditee communications or requested meetings with Customer and shall include Azavar in said communications and meetings. Customer shall also designate one (1) professional staff member to be the Customer's Primary Contact.
- 1.4 During the course of each Audit, Azavar may find that rather than being owed past due funds, the Customer owes funds erroneously paid to the Customer. In this case, Azavar will immediately terminate its Audit for that specific Auditee and will document the error and provide the Customer with information necessary to correct the error. Azavar shall have no liability to Customer for these errors or actions arising from Azavar's or Customer's knowledge thereof.
- 1.5 Customer acknowledges that each Auditee is a separate entity that is not controlled by Azavar and therefore Azavar cannot predict all the steps or actions that an Auditee will take to limit its responsibility or liability during an Audit. Should Customer negotiate, abate, cancel, amend, delay, or waive by any means all or a portion of funds identified as payable to Customer during an audit, Customer shall pay all Azavar expenses and fees for that Audit in addition to any applicable contingency fees for any Findings that were identified by Azavar or by its Audits and that would have been compensable under Section 2 of this Statement of Work;
- 1.6 During the Audits, Azavar will educate taxpayers and provide all necessary support to onboard them to file and remit payments to Customer using Azavar software as defined in Exhibit A – Statement of Work 2;
- 1.7 Audit timelines and processes are set in accordance with Azavar's proprietary audit process and applicable law. The first Audit start date is expected to be within no later than thirty (30) days from the date of this Statement of Work unless changed and approved by the Customer's Primary Contact.
- 1.8 Each Audit is expected to last at least six (6) months. Each subsequent Audit will begin after payment terms and obligations have been satisfactorily met from previously completed Audits however overlapping Audit work may take place at the discretion of Azavar. Audit status meetings will be held regularly via phone, email, or in person throughout the course of the Audits between Azavar and the Customer's Primary Contact and will occur approximately every quarter.
- 1.9 Jason Perry, Local Government Revenue Compliance Audit, Maximization, and Monitoring Program, and Azavar specialists will be auditors under this Statement of Work. All Azavar staff or subcontractors shall be supervised by the Azavar Program Manager.

2. PAYMENT TERMS

- 2.1 Customer shall compensate Azavar the fees set forth in this Statement of Work on a contingency basis. If applicable, Azavar shall submit an invoice to Customer on a monthly basis detailing the amounts charged to Customer pursuant to the terms of this Statement of Work. Should Customer negotiate, abate, cancel, amend, delay, or waive, without Azavar's written consent, any tax determination or Findings that were identified by Azavar or by its Audits where such Findings were allowed under the law at the time the tax determination or Findings were made, Customer shall pay to Azavar applicable contingency fees for the total amount of money actually collected for said tax determination or Findings at the rates set forth below and for the following thirty-six (36) months. If Customer later implements during the subsequent thirty-six (36) months any Findings Customer initially declined based on Azavar programs or recommendations, Azavar shall be paid by Customer its portion of the savings and/or recoveries over the following thirty-six (36) months at the contingency fee

Exhibit A – Statement of Work

rates set forth below. Provided if the Auditor of the State of Washington determines any payment obligation of Customer unlawful, Customer shall have no obligation to make such payment, and if payment has been made the right to recover such payment.

- 2.2 For any and all Audits and/or Findings (under Section 1), Customer shall pay Azavar an amount equal to fortyfive (45) percent of any new revenues, savings, or prospective funds recovered per account or per Auditee for thirty-six (36) months following when funds begin to be properly remitted to the Customer. In the event Azavar is able to recover any additional savings or revenue increases for any time period, or any credits at any time, Customer will pay Azavar an amount equal to forty-five (45) percent of any savings, funds, and fair market value for any other special consideration or compensation recovered for or received by the Customer from any Auditee. All contingency fees paid to Azavar are based on determinations of recovery by Azavar including Auditee data and regulatory filings. All revenue after the subsequent thirty- six (36) month period for each account individually will accrue to the sole benefit of the Customer. Provided, that if the Auditor of the State of Washington determines any payment obligation of Customer unlawful, Customer shall have no obligation to make such payment and if payment has been made, the right to recover such payment.
- 2.3 If any new revenues, savings, or prospective funds recovered by Azavar result in billings below one hundred dollars (\$100) per month for the duration of the thirty-six (36) month period of billing, Customer will pay for the full 36 months in one billing.

3. COMPLETE AGREEMENT

This Statement of Work and the Agreement contain the entire Agreement between the parties hereto with respect to the matters specified herein. The invalidity or unenforceability of any provision of this Statement of Work shall not affect the validity or enforceability of any other provision hereof. This Agreement shall not be amended except by a written amendment executed by the parties hereto. No delay, neglect or forbearance on the part of either party in enforcing against the other any term or condition of this Statement of Work shall either be, or be deemed to be, a waiver or in any way prejudice any right of that party under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Statement of Work to be executed in duplicate originals by their duly authorized representatives as of the date set forth below.

Azavar Audit Solutions, Inc.

City of Sedro-Woolley

By _____
Name: Jason Perry
Title: CEO and President

By _____
Name: Julia Johnson
Title: Mayor



Engagement Letter

Azavar, Cozen O'Connor Agreement

Created by:

Tom Fagan
Azavar

Prepared for:

Charlie Bush
City of Sedro-Woolley

Azavar Audit Engagement Letter



30th day of August, 2025

VIA ELECTRONIC MAIL

Jonathan M. Grossman
Direct Phone: 202-912-4866
Direct Fax: 202-618-4856
jgrossman@cozen.com

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

Mr. Jason Perry
Azavar Audit Solutions, Inc. 55 East Jackson Street
Chicago, IL 60604

Re: Municipal Taxes and Fees

Dear Charlie and Jason:

We are pleased that the City of Sedro-Woolley (“Sedro-Woolley”) and Azavar Audit Solutions, Inc. (“Azavar”) are jointly engaging Cozen O’Connor LLP (“Cozen”) to assist in the collection of municipal taxes. This letter is intended to formalize our retention, as required by applicable Rules of Professional Conduct.

Sedro-Woolley and Azavar entered into a Professional Services Agreement on 30th day of August 2025 (the “PSA”), pursuant to which, Azavar is auditing or will audit certain municipal taxes . Azavar and Sedro-Woolley now retain Cozen to advise them as to certain of these audits, specified by Azavar, and any other actions that they may take to identify and collect any taxes and bring these matters to a resolution. Such additional actions may include an administrative hearing and/or litigation. Cozen may elect to represent Sedro-Woolley in such actions, but the firm is not now being retained to do so and any such retention is subject to Cozen’s agreement confirmed in writing.

Cozen’s fee will be contingent upon payment of taxes to Sedro-Woolley and will be paid by Azavar out of fees that it receives from Sedro-Woolley under Section 3 of the PSA. Cozen, Azavar and Sedro-Woolley will each be responsible for paying their own costs such as travel expenses for their personnel and routine overhead expenses (e.g., copying, telephone and express mail). Direct litigation costs, such as filing fees, deposition transcripts, expert witness expenses and outside copying fees shall be paid by Sedro-Woolley.

If Sedro-Woolley is awarded costs or legal fees in addition to taxes, penalties and interest, those costs or fees shall first be used to reimburse Sedro-Woolley for any direct litigation costs it paid. Any amount in excess would be paid to Cozen.

Notwithstanding Azavar’s financial interest in the collection of taxes, Azavar acknowledges that Sedro-Woolley will retain ultimate decision-making authority as to this matter.

It is hereby agreed that any dispute, claim or controversy arising out of or relating to this letter, Cozen’s representation of Azavar or Sedro-Woolley, or the breach, termination, enforcement, interpretation or validity of this letter, shall be settled by arbitration conducted in Seattle, Washington using a single arbitrator and administered by the American Arbitration Association pursuant to its comprehensive rules and procedures. Judgment on the award rendered by the arbitrator may be entered in any state or federal court located in Skagit County, Washington .

Azavar Audit Engagement Letter

Cozen is a general service law firm that Sedro-Woolley recognizes has represented, now represents and will continue to represent numerous clients over a wide range of industries and businesses in a wide variety of matters. Given this, without a binding conflicts waiver, conflicts of interest might arise that could deprive Sedro-Woolley or other clients of the right to select this firm as their counsel.

Thus, as an integral part of the engagement Sedro-Woolley agrees that Cozen may, now or in the future, represent other entities or persons, including in litigation, adversely to Sedro-Woolley or any affiliate on matters that are not substantially related to the legal services that Cozen has rendered, is rendering or in the future will render to Sedro- Woolley under this engagement (an "Allowed Adverse Representation").

Sedro-Woolley also agrees that it will not, for itself or any other entity or person, assert that either (a) this firm's representation of Sedro-Woolley or any affiliate in any past, present or future matter or (b) this firm's possession of confidential information belonging to Sedro-Woolley or any affiliate is a basis to disqualify Cozen from representing another entity or person in any Allowed Adverse Representation. Sedro-Woolley further agrees that any Allowed Adverse Representation does not breach any duty that this Firm owes to Sedro-Woolley or any affiliate. Sedro-Woolley acknowledges that it has had the opportunity to consult with counsel about the consequences of this waiver.

If the arrangement outlined above is satisfactory, please acknowledge this by signing below and returning it to me at your earliest convenience. If you have any questions concerning the terms of this engagement, please do not hesitate to call me.

Sincerely,
COZEN O'CONNOR

*By: Jonathan M.
Grossman JMG*

Accepted on Behalf of Azavar Audit Solutions, Inc.

Accepted on Behalf of City of Sedro-Woolley

By _____
Name: Jason Perry
Title: CEO and President

By _____
Name: Julia Johnson
Title: Mayor