EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is between the City of West Linn, an Oregon municipal corporation ("City"), and Christopher A. Jordan ("Manager").

RECITALS:

A. The West Linn Charter and Code provide a range of responsibilities for the City Manager, who serves an essential function of City government.

B. A good relationship between the City Council and the City Manager is essential for proper functioning of City government.

C. The person serving as City Manager serves at the pleasure of the City Council and may be removed for any reason or for no reason, consistent with the City Code and Charter.

D. The City Charter and Code do not provide all the details governing the employment of a City Manager.

E. A written agreement is desirable to more fully specify the role of the City Manager and to establish the respective rights and obligations arising from the relationship between the City and Manager.

F. The City wishes Manager to serve as City Manager and Manager wishes to serve as City Manager for City.

TERMS OF AGREEMENT:

SECTION 1. EMPLOYMENT, DUTIES AND AUTHORITY

A. City agrees to employ Manager as City Manager. Manager agrees to serve as City Manager and to be responsible for administrative actions of the City exercising the authority given to the City Manager by state law, the City Charter and Code, and as otherwise delegated by the City Council to the City Manager. The authority of Manager, consistent with state law, City Charter or ordinance, shall include, but not be limited to the following:

1. The overall management, administration, and direction of City operations;

2. The selection, hiring, discipline, and termination of all City employees.

3. The negotiation, execution, and administration of City contracts within budget appropriations pursuant to City policy and ordinance;

4. Providing policy advice to the City Council and maintaining open communication with the community to foster responsive and courteous public service.

B. Except by mutual written agreement to the contrary, Manager may deem the Agreement to be involuntarily terminated without cause if the City reduces or revokes the duties or authority of Manager as defined by this Section. The date of such involuntary termination would be the date of such reduction or refusal.

C. The Mayor and Councilors agree to the principle of non-interference in administration as necessary to the orderly and efficient implementation of Council Policy. The Mayor and Councilors agree to direct their concerns and communications regarding the administration of the city government through the City Manager. Manager agrees to respond promptly to all inquiries from the City Council or from any member of the City Council.

SECTION 2. TERM

The initial term of the Agreement between the City and Manager was October 24, 2005 through December 31, 2008. The term was amended and extended through December 31, 2013. The term of this Agreement is January 1, 2014 through December 31, 2016. Should the City decide to not renew this Agreement, the City will notify the Manager on or before October 2, 2016. Nothing in this section prevents termination of this Agreement by mutual agreement or as otherwise provided in this Agreement.

A. Nothing in this Section shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of Manager at any time as provided in Section 3. Manager is an "at will" employee and serves at the pleasure of the City Council. The determination of the City Council to end the employment relationship of the parties is within the sole discretion of the City Council and may be made for any reason or for no reason, subject only to the provisions of this Agreement.

B. Nothing in this Section shall prevent, limit or otherwise interfere with the right of Manager to resign at any time from his position with City, as provided in Section 3.

C. Manager agrees to remain in the exclusive employ of City during the term of this Agreement. The term "employed" shall not be construed to include occasional teaching, writing, or consulting performed on Manager's time off, at Manager's discretion after advising the Mayor.

SECTION 3. TERMINATION AND SEVERANCE

A. Involuntary Termination Without Cause.

This Agreement may be terminated by the City for any reason or for no reason. If the City terminates this Agreement, and Manager's employment with the City, without cause, the termination shall be effective on the 45th day following the City's notice of termination without cause to the Manager unless a different termination effective date is agreed to by the parties. Following notification of termination without cause, Manager will be placed on paid administrative leave until the effective date of termination. In the event Manager is terminated without cause, and Manager is willing and able to perform Manager's assigned duties, the City shall pay severance to Manager. Severance shall be equivalent to one month's worth of Manager's base pay for every one full year of service Manager has completed with the City, up to a maximum of 9 months worth of pay. City agrees to pay its share of all medical insurance benefits during the period that Manager is on paid administrative leave and for the number of months covered by the severance payment.

B. Involuntary Termination for Cause.

This Agreement may be terminated by the City for cause. In the event of a for-cause termination, the City shall have recourse to all legal rights and remedies, and this Agreement shall not be construed as a waiver of any right or remedy available to City. If the City terminates this Agreement, and the

Manager's employment with the City, for cause, the termination shall be effective immediately upon the City delivering a written notice of termination for cause to the Manager. The City, at its sole discretion, may terminate for cause upon the occurrence of any one of the following events:

1. Manager willfully and repeatedly fails or refuses to comply with the written policies, standards and regulations of the City Council as are from time-to-time established.

2. Manager is convicted of a crime. Crime in this Agreement is defined as any class of misdemeanor or felony;

3. Manager commits an act of fraud, dishonesty, misappropriation of funds, embezzlement, or other official misconduct;

4. Manager is found unfit for the position per Federal, State, or City rules and regulations applicable to all Managers in a for-cause termination.

Manager is not entitled to any severance pay if this Agreement, and Manager's employment with the City, is terminated for cause. Notification by the City of non-extension of the Agreement under Section 2 does not constitute termination for cause.

C. Deemed Termination.

Manager may, at Manager's option, be deemed to have been involuntarily terminated without cause and subject to the severance provisions of Section 3(A) of this Agreement as of the date of the occurrence of any of the following events:

1. A reduction in salary or financial benefits provided to Manager unless the reduction is part of an across the board reduction for all City management personnel and consistent with the level of reduction for all management personnel, or

2. A refusal by the City, following written notice, to comply with any provision of this Agreement, or

3. Suggestions made during a public City council meeting by a majority of the City Council that Manager resign or,

4. Determination of the City Council and notice to the City Manager that the City will not renew the Agreement.

D. Resignation in Good Standing.

This Agreement, and Manager's employment with the City, may be terminated by the Manager for any reason or for no reason. If the Manager resigns from his employment with the City, he shall provide the City Council with at least 45 days' advance notice, exclusive of vacation days. The parties may, but are not required to, agree on a resignation effective date within the 45-day notice period.

E. Accrued Vacation on Termination.

Termination or resignation in good standing as provided in Subsection 3D, shall entitle Manager to a lump sum payment equivalent to all accrued vacation benefits.

F. Termination by Mutual Agreement.

The City and Manager may, by written agreement, terminate this Agreement. If this Agreement is terminated by written agreement, the termination will not be considered an involuntary termination without cause and the severance pay terms in Section 3(A) of this Agreement will not apply. However, a written mutual termination agreement may contain severance provisions acceptable to both parties. Manager may, at any time, ask the City Council if a termination by mutual agreement would be appropriate.

SECTION 4. SALARY

A. City agrees to pay Manager for services rendered as City Manager an annual salary of $147,000, payable at the same intervals and on the same dates as other management personnel of City are paid. The City may deduct from pay such amounts as are required or permitted by law to be deducted from pay.

B. Manager's salary shall be adjusted annually on November 1 of each year based on the CPI-W Portland index for the most recent 12-month period for which information is available, as of the September 30th immediately preceding the salary increase.

C. The City Council shall conduct a salary review of the Manager annually in September and may provide a salary and/or benefit increase to Manager based on that review. The salary review may be combined with the performance review provided for in Section 6. At its discretion, the City Council may review and adjust salary and benefits any time.

SECTION 5. HOURS OF WORK

A. It is recognized that Manager shall devote his full time and attention to employment referred to herein and shall have no other employment except as above provided in Section 2.C. Manager may set his own schedule as needed to fully discharge his duties under this Agreement. Manager shall keep the Administration Office Staff aware of his office schedule.

B. Manager shall provide reasonable written notice to the City Council when Manager anticipates an absence from the City for three or more business days.

C. Manager shall keep time records indicating the amount of time spent working on behalf of the City each day, sufficient to inform the Finance Department of leave taken and days worked.

SECTION 6. PERFORMANCE EVALUATION

A. The City Council may review and evaluate the performance of Manager at least annually in December, and as often and at such times as the City Council deems appropriate. The review and evaluation shall be in accordance with specific written criteria, which the City Council may add to or

delete from, in consultation with the Manager. Each review and evaluation shall be conducted in the presence of the Manager, and the City Council shall provide an adequate opportunity for the Manager to discuss the evaluation.

B. The parties agree that the performance evaluation process defined herein is designed to ensure that the parties regularly communicate effectively on matters which relate to the conduct of City business. It is understood by the parties that any determination by the City Council that the Manager has met or exceeded expectations does not bar, in any way, the City' s right to decide not to renew this Agreement following the terms of Section 2 or to terminate pursuant to Section 3.

SECTION 7. COUNCIL GOALS

The City Council and Manager shall define such mutual City goals and Manager performance objectives which they determine necessary for the proper operation of the City and attainment of the City Council's policy objectives. The parties shall further establish a relative priority among those goals and objectives. The goals and objectives will be reduced to writing by the Manager upon approval by the City Council. Manager will provide a report on progress toward addressing the goals and objectives as requested by City Council. The City Council and Manager shall meet at least once per year to define and modify the goals and objectives.

SECTION 8. VACATION AND LEAVE

A. Manager shall accrue vacation leave at the rate of 9.23 hours per 2-week pay period. The accrual and administration of vacation benefits shall otherwise be on the same terms as other City management employees.

B. Manager shall be entitled to earn and accrue sick leave benefits on the same terms as other City management employees. Manager is not eligible to receive any cash payout or retirement credit for unused sick leave.

C. Manager shall receive a total of 6 days of management leave per calendar year, to be taken consistent with City personnel policies as applied to management employees. Management leave is on a use-it-or-lose-it basis, which means unused management leave shall not carry over into subsequent calendar years. Manager has no right to payment for unused management leave at the time of resignation, termination, contract expiration or at any other time.

SECTION 9. RETIREMENT AND INSURANCE

A. City agrees to contribute into the Public Employee's Retirement System, on Manager' s behalf, an amount equal to that same percentage of salary contributed for City' s other management employees, including the PERS Pickup. Manager is subject to the mandatory PERS waiting period.

B. City agrees to provide coverage and to make required premium payments for Manager and dependents for comprehensive medical and dental insurance, long-term disability insurance, and life insurance on the same basis as provided to other management employees. Manager shall be governed by the coverage waiting periods required by the City's policies.

C. City notes that it has formulated a City-wide policy of a drug free work place. To further this policy, the City strives to acquire illegal drug testing of all City Management employees. The

requirement that Manager undergo such testing is in furtherance of this policy. It is not a reflection of the Manager's character or a suggestion of past impropriety.

D. As described in Section 17B of this agreement, the City shall provide deferred compensation on the same basis provided to other City management employees.

SECTION 10. AUTOMOBILE ALLOWANCE

A. Manager is entitled to a monthly automobile allowance of $400.00. While on duty, Manager shall have use of a City vehicle for City business use. Manager may not use a City vehicle for commuting to or from work or for personal business.

B. The parties acknowledge that this benefit is part of Manager's total compensation package.

SECTION 11. DUES AND SUBSCRIPTIONS, PROFESSIONAL DEVELOPMENT AND GENERAL EXPENSES

A. City agrees to pay for the professional dues and subscriptions necessary for the Manager's membership in national, regional, state and local associations and organizations necessary for Manager's continued professional participation, growth and advancement, and for the good of the City, subject to approval of the annual budget.

B. City encourages the professional growth and development of Manager and acknowledges that participation in professional conventions, short courses, seminars, and conferences can contribute to professional growth and development. Manager's attendance shall be subject to the approval of the annual budget. City shall permit a reasonable amount of time for Manager to attend. City shall also permit a reasonable amount of time for Manager to attend upper-level college courses. If the Manager attends any upper-level college courses, the City shall pay the cost of tuition for such courses..

C. City recognizes that job-related expenses will be incurred by Manager on behalf of the City. City hereby agrees to reimburse or to pay said general expenses of Manager on a monthly basis. Said expenses shall include, but not be limited to, meals, fees, and other expenses. Manager shall have use of a City credit card, but may charge only City business expenses on the card. The City Finance Director is hereby authorized to disburse such monies upon Manager's submission of a duly executed expense report or petty cash vouchers, receipts, statements or personal affidavits. Expense reimbursements shall be limited, however, to those funds designated within City's approved annual budget. The City Council may request quarterly reports of such expenses from the Finance Department.

SECTION 12. CELL PHONE

Due to the nature of this position, Manager is required to maintain use of a cell phone for business purposes. Therefore, in lieu of providing a city-owned cell phone, Manager is required to have a personal cell phone available for business use. The City will provide Manager with a taxable allowance of $75 per month for the purpose of obtaining and maintaining the use of a cell phone. This cell phone will be used for business, but will not have the same restrictions on personal use since it is a personal cell phone. Should Manager choose to buy a wireless PDA instead of a cell phone and need

remote access to his City computer account, Manager must receive prior approval from the City's Chief Technology Officer who authorizes remote access. If approved, the City will pay for and maintain the license that allows access to the server. This license is the property of the City.

SECTION 13. ARBITRATION AND ATTORNEY'S FEES

Any dispute between the City and Manager regarding the interpretation or enforcement of this Agreement shall be resolved by arbitration by a mutually acceptable arbitrator or in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc. Judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

In the event suit or action is brought, or an arbitration proceeding is initiated, to enforce or interpret any of the provisions of this Agreement, or which is based thereon, the prevailing party shall be entitled to reasonable attorney fees in connection therewith.

SECTION 14. INDEMNITY

City agrees to defend, hold harmless, and indemnify Manager from any and all demands, claims, suits, actions, and legal proceedings brought against Manager in Manager's individual capacity, or in his official capacity as agent and employee of the City, as to any actions of Manager within the scope of his employment.

SECTION 15. WAIVER OF BREACH

Waiver by the City or Manager of any breach of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or a waiver of this provision.

SECTION 16. BONDING

City shall bear the full cost of any fidelity or other bonds required of Manager by any law or ordinance.

SECTION 17. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

A. The parties may, from time-to-time, agree to modify the terms of this Agreement, provided that the amendment is reduced to writing and made a part of this Agreement.

B. All provisions of the City Charter and Code, and regulations and rules of the City relating to holidays, deferred compensation, and other fringe benefits and working conditions, as they now exist or hereafter may be amended, also shall apply to Manager as they would to other management employees of City, in addition to the benefits provided in this Agreement. The City will provide Manager with deferred compensation at a rate of up to 4%. In the event of a discrepancy between the City's generally applicable standards or policies and a provision of this Agreement, this Agreement shall control.

SECTION 18. REPRESENTATION

At all times, the City has been represented by Timothy V. Ramis of the firm of Jordan Ramis PC. At all time, the Manager has had the right to and the availability of independent counsel of his own choosing in regard to this Agreement.