

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is between the City of West Linn, an Oregon municipal corporation ("City"), and Eileen F. Stein ("Manager").

WHEREAS, the City wishes Manager to serve as City Manager and Manager wishes to serve as City Manager for City.

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

TERMS OF AGREEMENT:

SECTION 1. EMPLOYMENT, DUTIES AND AUTHORITY

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:

- A. The overall management, administration, and direction of City operations;
- B. The selection, hiring, discipline, and termination of all City employees;
- C. The negotiation, execution, and administration of City contracts within budget appropriations pursuant to City policy and ordinance; and
- D. Providing policy advice to the City Council and maintaining open communication with the community to foster responsive and courteous public service.

SECTION 2. TERM

The term of this City Manager shall begin on June 1, 2016, and shall continue until May 31, 2018. Should the City decide to not renew this Agreement, the City will notify the Manager on or before December 1, 2017. Nothing in this section prevents termination of this Agreement by mutual agreement or as otherwise provided in this Agreement.

SECTION 3. TERMINATION AND SEVERANCE

- A. Termination by City or Employee Without Cause.

This Agreement may be terminated either by the City or Manager at any time without cause. City or Manager may terminate this Agreement for any reason by providing to the other thirty (30) days' written notice of the intent to terminate.

- B. Termination for Cause.

City may terminate this Agreement immediately for Manager's willful negligence, dishonesty, fraud or commission of any criminal act, willful failure or refusal to comply with the Charter, ordinances, policies or rules of the City as are established from time to time; failure to perform any

provision of this Agreement or to perform the duties and responsibilities assigned to her; or failure to be bondable at normal rates. However, before any final decision is made to terminate employment under this subsection, Manager shall be given prior written notice of the allegations against her and an opportunity to respond in person or in writing to such allegations. Termination Compensation as referenced under Section 3.B. will not be paid if Employee is terminated under this subsection.

C. Accrued Vacation on Termination.

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

D. Termination Compensation.

In the event of termination of Manager's employment by the City pursuant to Section 3.A., Manager shall receive 6 months' salary and COBRA continuation coverage as severance compensation, provided Manager signs a full and final release of all claims, known or unknown, arising out of her employment or termination from employment, as a condition precedent to receiving severance compensation. City will pay the full premium for health insurance coverage for Manager and her dependents, if any, unless otherwise provided by law.

SECTION 4. SALARY

A. City agrees to pay Manager for services rendered as City Manager an annual salary of \$140,000, 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. The City Council shall conduct a salary review of the Manager after six (6) months and one (1) year of employment. Thereafter, a salary review shall be conducted annually in June and may provide a salary 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 her full time and attention to employment referred to herein and shall have no other employment. Manager may set her own schedule as needed to fully discharge her duties under this Agreement. Manager shall keep the Administration Office Staff aware of her 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 Human Resources Department of leave taken and days worked.

SECTION 6. PERFORMANCE EVALUATION

A. The City Council shall conduct a facilitated performance evaluation after six (6) months and one (1) year of employment by a facilitator knowledgeable in local government administration. Thereafter, performance evaluations shall be conducted annually, with or without a facilitator knowledgeable in local government administration.

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 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 of 120 hours annually (15 days) with an additional 40 hours credited to the Manager upon hire and available for use by the Manager on the first day of regular employment. 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, with an additional 40 hours of sick leave credited to the Manager upon hire and available for use by the Manager on the first day of regular employment. Manager is not eligible to receive any cash payout or retirement credit for unused sick leave.

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 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 17.B. 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 \$500.00 to defray the cost of furnishing her own vehicle for City use within a 30 mile radius of the City, with mileage reimbursed at normal city rates for trips on City use outside this radius.

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.

C. Other job-related expenses incurred by Manager on behalf of the City not described in this Section may be reimbursed; however, expense reimbursements shall be limited to those funds designated within City's approved annual budget and which meet the City's employment policies and procedures. 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.

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. Employee further understands that to the extent Employee conducts City business on her personal telephone, any information stored on her personal telephone, including but not limited to text messages, voicemails, call logs, and e-mail messages, may be considered a public record and subject to disclosure in accordance with applicable law. Employee further agrees to maintain such records and cooperate with City in producing such records in the event of an applicable public records request of whether this Agreement is in effect or has terminated for any reason.

SECTION 13. MEDIATION

The parties mutually agree that any dispute that may arise under this Agreement will be submitted to a mediator agreed to by both parties as soon as such dispute arises, but in any event prior

to the commencement of litigation. Such mediation shall occur in Clackamas County, Oregon, and the mediation fees and mediator's expenses shall be paid by the City. The parties agree to exercise their best efforts in good faith to resolve all disputes in mediation.

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 5%, subject to a one-to-one match from Manager. 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.

C. Should the Manager choose to establish a residence within the City or with a City address, the City agrees to provide up to \$12,000 to help defray the cost of relocation and temporary housing. The Manager agrees to repay any paid relocation and housing expenses on a prorated basis, based upon the time of employment, if this Agreement is terminated pursuant to Section 3.B.

SECTION 18. REPRESENTATION

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

SECTION 19. SEVERABILITY

If any provision, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid or unenforceable, it shall be severed from this Agreement. The remainder of this Agreement shall not be affected and shall remain in full force and effect.

SECTION 20. NOTICES

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, by certified mail, postage prepaid, addressed as follows:

City: City Council
City of West Linn
22500 Salamo Road
West Linn, Oregon 97068

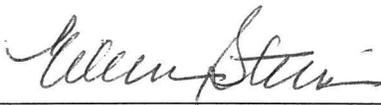
And Timothy V. Ramis, City Attorney
Jordan Ramis PC
Two Centerpointe Drive, 6th Floor
Lake Oswego, Oregon 97035

Manager: Eileen F. Stein

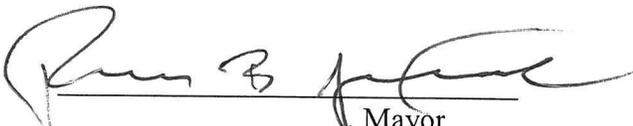

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service. City and Manager may modify the addresses for such notices provided such modification is given in writing under the provisions of this section.

MANAGER

CITY OF WEST LINN, OREGON



Eileen F. Stein
Date: 4-20-16



Mayor
Date: April 20, 2016

APPROVED AS TO FORM



City Attorney