

**EMPLOYMENT AGREEMENT
CITY ADMINISTRATOR, CITY OF COBURG**

BETWEEN: The City of Coburg (City)
AND: Anne Heath (Employee)

RECITALS:

- A. The Charter of the City of Coburg provides that the Mayor may, with the consent of the City Council, appoint any city officers the City Council deems necessary.
- B. Under the direction of the Mayor, Employee was appointed to a 6-month temporary position as Acting City Administrator in February of 2018.
- C. The City and Employee subsequently entered into an Employment Agreement on June 12, 2018. The term of that agreement ended June 30, 2019, but was automatically renewed for an additional year.
- D. On July 9, 2019, the City adopted an ordinance formally creating the office of City Administrator. Ordinance A-250.
- E. On October 15, 2020, the City and Employee entered into a new Employment Agreement.
- F. The City and Employee now wish to extend and revise that Employment Agreement.

AGREEMENT:

SECTION 1. TERM

The term of this Agreement shall be one year, beginning on December 1, 2021 and ending on November 30, 2022, unless terminated earlier pursuant to this Agreement. This Agreement, in its entirety, will be automatically extended annually for an additional one-year period (December 1 through November 30) unless the Council specifically takes action to not renew this Agreement or negotiate a new agreement.

SECTION 2. DUTIES AND HOURS OF WORK

A. DUTIES

The duties and responsibilities of Employee shall be in accordance with state law, all ordinances and resolutions of the City, and such policies as shall be adopted from time to time by the City Council. The duties and responsibilities shall include, but are not necessarily limited to the following:

- a. Plan and direct all administrative activities of the City, and take necessary actions to improve operations.
- b. Establish administrative procedures to increase the effectiveness and efficiency of City government, according to current practices in local government, and consistent with approved policies established by City Council.
- c. Supervise and coordinate the City's administrative policies and procedures, including personnel policies and purchasing procedures.
- d. Provide information and advice to the Mayor, City Council, other public officials and the public on the City's operations.
- e. Act as the City's representative in such areas as labor relations, intergovernmental relations, conferences, conventions, and seminars related to public management.
- f. Delegate responsibility as necessary to accomplish the desired objectives.
- g. Attend meetings of the City Council and other boards and commissions as necessary to coordinate and satisfy the administrative needs of the City.
- h. Act to resolve operational conflicts, decide and implement alternate courses of action, formulate administrative policies, and otherwise make decisions in the best interest of the City's operations.
- i. Recommend for adoption by the Council such measures as he or she may deem necessary or expedient.
- j. Prepare and submit to the Mayor and Council such reports as may be required by that body, or as he or she may deem advisable to submit.
- k. Keep the Mayor and Council fully informed and advised of the financial conditions of the City and its future needs.
- l. Coordinate and supervise preparation of the preliminary budget for submission to the Mayor, and administer the budget after its adoption.
- m. Appoint and remove all employees of the City except the Municipal Judge, City Recorder, and Treasurer. Exercise all supervisory duties over all employees of the City, including officers of the City listed in Section 12 of the Coburg City Charter, and such other officers as the Council deems necessary, but excluding the Municipal Judge.
- n. Perform such other duties as the Mayor and Council may determine by ordinance or resolution.

B. HOURS OF WORK

It is recognized that Employee must devote a great deal of time outside normal office hours to business of the City, often in excess of a 40-hour work week. To that end, employee may take reasonable compensatory time off during said normal office hours, provided notice is left with City Recorder, and provided such time off does not interfere with fulfillment of Employee's duties. Work in excess of an average 40 hour week shall be deemed part of the professional responsibility for which Employee shall not be paid overtime.

SECTION 3. COMPENSATION

A. **BASE SALARY.** Employee's annual salary shall be \$113,000.00, payable in installments at the same time as other employees of the City are paid and subject to customary withholding.

B. **ADJUSTMENTS.** Upon each anniversary of employment, the City Council shall review Employee's performance annually to determine annual merit salary increases. Employee shall also receive any cost of living adjustments (COLA) received by the administrative management employees of the City during the period of this Agreement.

C. **RETROACTIVE MERIT INCREASE.** Employee shall receive an additional payment of \$868.56 as compensation for the 2% merit increase that she did not receive from July 1, 2019 to November 30, 2019.

SECTION 4. BENEFITS

A. **HEALTH AND LIFE INSURANCE.** The City shall provide Employee with the same health, long term disability, dental, and vision insurance benefits as are provided to other regular status employees when and as Employee becomes eligible for them.

B. **RETIREMENT.** The City shall provide Employee the same PERS retirement benefit under the same terms and conditions with respect to the employee contribution and employer contribution as is provided to the City's unrepresented, managerial employees.

C. **VACATION.** The City shall provide the Employee with vacation to be accrued at 10 hours per month unless longevity increases this amount per employee policy.

D. **SICK AND HOLIDAY LEAVE.** The City shall provide Employee the same leave benefits as are provided to the City's unrepresented, managerial employees.

SECTION 5. PROFESSIONAL ACTIVITIES

The City shall, to the extent it is financially viable, budget and pay expenses for Employee's membership and participation in professional activities and conferences, including professional dues, the League of Oregon Cities, and any other membership fees and travel, which, in the judgment of the Mayor, are necessary and desirable for Employee's continued participation, growth, and advancement as City Administrator.

SECTION 6. PERFORMANCE REVIEWS

The City Council shall review and evaluate the performance of Employee on at least an annual basis, and may review and evaluate her performance on a more frequent basis if it determines that it is appropriate to do so.

SECTION 7. TERMINATION.

A. DEFINITIONS

GOOD CAUSE—Any willful, knowing, grossly negligent, or negligent breach, disregard or habitual neglect of any provision, duty or obligation of this Agreement, an ordinance of the City or the laws of the United States or the State of Oregon.

Any misconduct involving an act of moral turpitude, criminal illegality (except minor traffic violations), or habitual violations of traffic laws, whether or not related to Employee's official duties hereunder.

Any willful, knowing, grossly negligent, or negligent misapplication or misuse, direct or indirect, by Employee of public or other funds or other property, real or personal, owned by or entrusted to the City, any agency or corporation thereof, or Employee in her official capacity.

DISABILITY—Employee is unable to perform her duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued sick leave, or for twenty working days over a thirty working-day period.

B. TERMINATION EVENTS:

This Agreement shall terminate upon any of the following events:

1. Mutual written agreement of the Council and the Employee, signed by both the Employee and the designated representative of the City
2. Retirement or death of the Employee
3. Termination of employment for "good cause"
4. Unilateral termination by City without good cause
5. Resignation
6. Expiration of the term of this Agreement.

C. SEVERANCE

In the event Employee is terminated by the City pursuant to Section B.4 or B.6 above, and Employee is still willing and able to perform her duties under this Agreement, severance shall be paid. City may, at its option, either (a) pay Employee a lump sum cash payment equal to two months base salary, or (b) provide two (2) months advance written notice to Employee. After three full years of service, the City will either (a) pay Employee a lump sum cash payment equal to three (3) months base salary, or (b) provide two (2) months advance written notice to Employee. However, if Employee is terminated "for good cause," then City shall have no obligation to pay the severance sum or give notice under this provision. The severance shall be payable in a lump sum at time of termination unless otherwise agreed to in writing by the Employer and the Employee, but in no event before the Employee executes a waiver and release agreement prepared by the City Attorney.

SECTION 8. RESIGNATION

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time. In the event Employee voluntarily resigns prior to the expiration of the term of this Agreement, Employee shall give City sixty (60) days' written notice, unless otherwise agreed in writing. In the event of voluntary resignation, no severance will be paid.

Exception for Disability: In the event Employee resigns or employment is severed due to disability of Employee, Employee shall be entitled to the severance pay set forth above and to be compensated for accrued, compensable leave and other accrued benefits.

SECTION 9. INDEMNIFICATION AND BONDING

Consistent with the Oregon Tort Claims Act and the City's insurance coverage, the City shall defend and indemnify Employee against any tort, professional liability claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of Employee's duties as City Administrator. Employee shall be covered under the City's liability insurance policies for covered acts or omissions occurring in the performance of Employee's duties as a city official at no expense to Employee. City shall be responsible for the cost of defense, prosecution, judgment, or settlement of claims or suits, provided that the City reserves the right to choose or approve legal representation for Employee and will retain control over the defense of the claim, including the sole power to compromise and settle any claim or action and pay the amount of the settlement or judgment.

The City shall bear the cost of any bond required of Employee by any law or ordinance.

SECTION 10 GENERAL PROVISIONS

A. **PERSONNEL MANUAL.** Except as otherwise specified in the Agreement, the terms and provisions of the City's Personnel Manual shall apply to the City Administrator.

B. **REVIEW BY INDEPENDENT COUNSEL.** Employee acknowledges that the City has advised her to have this Agreement reviewed by an attorney of her choice.

C. **EFFECTIVE DATE.** This Agreement shall be effective beginning December 1, 2019 and shall continue in effect until November 30, 2020 unless terminated earlier in accordance with this Agreement.

D. NOTICES

Any notice required or permitted by this Agreement shall be in writing and shall be personally served upon the other Party, or sent by US Postal Service, postage prepaid and addressed to the appropriate Party as follows:

If to City:

Mayor Ray Smith
City of Coburg
PO Box 8316
Coburg, OR 97408

If to Employee: Anne Heath
83363 Enterprise Road
Creswell, Oregon 97426

Notice shall be deemed given as of the date of personal service or upon the date of deposit in the in the course of transmission in the US Postal Service. Either Party may

E. VOLUNTARY AGREEMENT. Employee acknowledges that she understands the terms of this Agreement and that she has entered into it voluntarily.

F. INTEGRATION. The terms of the agreement are set forth completely in this written document. This Agreement supersedes all prior or contemporaneous oral and written agreements, understandings, and commitments. Employee acknowledges that she has not relied on any other representation or promises by the City, its agents, employees or representatives, except those contained in this Agreement.

G. SEVERABILITY. Any provision, or portion of any provision, in this Agreement that is held unenforceable, void, or unconstitutional shall not affect the remainder of the terms of this Agreement or any portion thereof which shall be deemed severable and shall remain in full force and effect.

H. MODIFICATION. This Agreement may not be modified in any respect, except by a written agreement executed by both parties.

IN WITNESS WHEREOF, the City of Coburg has caused this Agreement to be signed and executed in its behalf by its Mayor, and Employee has signed and executed this Agreement.

CITY OF COBURG

DATE: _____

By: _____
Ray Smith, Mayor City of Coburg

DATE: _____

By: _____
Anne Heath, City Administrator