



CITY ATTORNEY AGREEMENT

This agreement is made and entered into by and between the City of Lebanon, Oregon (“the City”) and Morley Thomas Law LLC (“Morley Thomas”).

- I. **Introduction.** Morley Thomas has been approved to act as the City’s City Attorney. The purpose of this Agreement is to set forth the terms and conditions related to the Representation for the period commencing on July 1, 2026 and continuing thereafter until June 30, 2029.

- II. **Personnel.** John E. Kennedy shall be designated as “City Attorney” during the term of this Agreement and shall have primary responsibility for performing the retained services. It is understood that services shall be performed by Morley Thomas as an independent contractor, reportable to the Lebanon City Council, and that Morley Thomas shall be free to perform services for other clients provided such services do not conflict with the duties owed to the City, and that this Agreement does not create an employment relationship between the City and any of the employees of Morley Thomas. Morley Thomas shall recommend suitable replacement counsel in the event of a conflict or other need related to vacation or sickness of City Attorney, but not to exceed 40 hours per year.

- III. **Scope of Services/Retainer.** Morley Thomas’s services shall be provided under a retainer and Morley Thomas shall be responsible for the City’s legal representation as set forth below. All services provided under this Agreement shall be consistent with the professional and ethical standards for attorneys in the State of Oregon.

A. Services covered by the retainer include:

1. Attending all regularly scheduled City Council meetings.
2. Attending all Planning Commission meetings.
3. Attending all other meetings as requested by the City Manager, the Mayor, or his or her designee, when the City Manager or mayor determines that items under consideration warrant attorney input concerning City business.
4. Providing general legal advice on municipal matters to the Mayor, City Council, City Manager and/or designated department heads.
5. Preparing and/or reviewing ordinances, resolutions, contracts, and other documents as requested by the City Manager or his or her designee or City Council.
6. Preparing written legal opinions at the request of the City Manager or his or her designee.
7. Training of non-legal personnel in legal matters and risk management in order to reduce legal expenses or to avoid litigation, as requested by the City Manager or his or her designee.
8. Charging and prosecuting all matters before the Lebanon Municipal Court.
9. Advising department personnel on purchasing procedures and public contracting.
10. Reviewing newly enacted laws, administrative rules, and case law as requested and providing advice to department personnel for appropriate compliance measures.
11. Advising and assisting the City in all tort claims notices, including tendering such claims to the City's insurance carrier and monitoring the activities of all outside counsel retained on behalf of the City, if requested by the City.
12. Preparing a monthly statement of services performed and providing written updates regarding the status of ongoing matters if requested.
13. Advising the City Manager or Department Heads with respect to general employment law. However, to the extent the City Attorney recommends that special expertise is needed, the City shall seek the advice of an attorney specializing in the area of employment and/or labor law.

B. Approval of Work Performed Outside of the Retainer:

The City Manager or his or her designee may authorize work to be performed outside of the retainer. All services performed by Morley Thomas outside of the retainer shall be approved in writing in advance and billed at an hourly rate of \$250 per hour. Examples of services that are considered outside of the retainer for which the City may, at its option, utilize Morley Thomas, include:

1. Serving as counsel of record for contract or tort litigation involving the City or its agents and officers, including cases in which the City is required to defend and indemnify its agents and officers, and all appeals therefrom.
2. Appeals from Municipal Court to Circuit Court, Court of Appeals or Supreme Court.
3. All appeals beyond City Hearings bodies, including Land Use Board of Appeals, Employment Relations Board, Circuit Court, Court of Appeals and Supreme Court.

Furthermore, Morley Thomas shall obtain written approval in advance from the City Manager prior to incurring any expenses for outside counsel, consultants or service providers on behalf of the City. Otherwise, Morley Thomas shall be solely responsible for paying such costs.

C. Services Not Covered by this Agreement:

Except as expressly requested in writing by the City Manager or his or her designee pursuant to Section III B above, Morley Thomas shall not perform any services for the City relating to:

1. Issuance and sale of City bonds;
2. Labor Contract Negotiations;
3. URD formation or amendment.

IV. Compensation for Services. As compensation for services included in the retainer, the City will pay Morley Thomas \$18,500 per month and each subsequent year shall increase by the CPI adjustment applied to City of Lebanon Administration. The monthly fee shall be prorated for any month in which this Agreement is terminated prior to the last day of the month. Morley Thomas will not bill the City extra for Incidental costs such as routine copies, legal research, mailing, etc. Morley Thomas will be reimbursed for non-incidental costs which include, but are not limited to, filing fees (administrative, state or federal), discovery costs, deposition costs (court reporter, transcription, interpreter, etc.) and litigation costs (subpoenas, trial fees, copying, exhibits, etc.). Prior to incurring any non-incidental cost in excess of \$100, Morley Thomas will seek and receive approval from the City in writing.

V. Termination of Agreement. This Agreement shall be for a three year term starting as of the date set forth above. This Agreement may be terminated prior to the expiration of three years as follows:

- A. By Morley Thomas or the City for any reason upon ninety (90) days written notice;

B. By Morley Thomas or the City, with fourteen (14) days written notice, due to breach of this Agreement or conduct that is found to be a violation of the Oregon Rules of Professional Conduct that governs Oregon Attorneys.

VI. Dispute Resolution. The prevailing party in any proceeding for breach or enforcement of this Agreement shall be entitled to recover its reasonable attorney fees. The parties may mutually agree in writing to have any such dispute resolved in final and binding arbitration rather than in court.

VII. Annual Review. The City and Morley Thomas agree that an annual review process that evaluates the services provided by Morley Thomas is in the best interest of both the City and Morley Thomas. Morley Thomas agrees to work cooperatively with the City Council in establishing processes and procedures to facilitate a meaningful annual evaluation led by the City Council with input from City Administration.

AGREED AND ACCEPTED this _____ day of _____, 2026

City of Lebanon

Morley Thomas Law, LLC

Ken Jackola, City of Lebanon Mayor

John Kennedy, Member