

RESOLUTION NO. 2018-71

**RESOLUTION OF THE CITY COUNCIL
AUTHORIZING COMPENSATION FOR CITY MANAGER
FISCAL YEAR 2018-19**

WHEREAS, Michael "Jesse" VanderZanden was appointed as City Manager effective August 1, 2015; and

WHEREAS, the City Council shall set by resolution the City Manager's annual base salary upon conclusion of the performance review in accordance with the City Manager's Employment Agreement, Section 5 and 6; and

WHEREAS, the City Council evaluated the performance of the City Manager in Executive Sessions under ORS 192.660(2)(i) held on May 29 and June 25, 2018; and

WHEREAS, at the Council meeting of June 26, 2017, the City Council made revisions the City Manager's annual performance review and postponed acceptance to the next Council meeting of July 17, 2018; and

WHEREAS, the City Council shall set the amount of the vehicle allowance annually as part of the City Manager's salary resolution in accordance with the City Manager's Employment Agreement, Section 9.

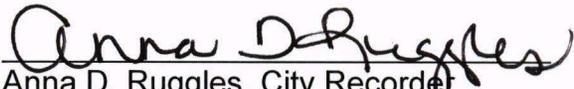
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Manager's base salary shall be as follows, effective July 1, 2018 through June 30, 2019: \$12,482/monthly; \$149,784/annually (2.5% Increase).

Section 2. The City Manager's vehicle allowance in lieu of the City providing the use of a city-owned vehicle shall be as follows, effective July 1, 2018 through June 30, 2018: \$250/monthly.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 26th day of June, 2017.


Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 26th day of June, 2017.


Peter B. Truax, Mayor



A place where families and businesses thrive.

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	19 & 20
MEETING DATE:	6-25-18
FINAL ACTION:	Reso 2018-70 Reso 2018-71

2.590; \$250/vehicle monthly

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: June 25, 2018

PROJECT TEAM: Paul Downey, Administrative Services Director

SUBJECT TITLE: Council Resolutions Accepting City Manager's Performance Review and Authorizing Compensation for FY 2018-19

ACTION REQUESTED: Ordinance Order Resolution Motion Informational

X all that apply

BACKGROUND:

The City Council shall evaluate the City Manager's performance at least once a year in accordance with City Manager's Employment Agreement, Section 5 and 6. The City Council shall set by resolution the City Manager's annual base salary upon conclusion of the performance review in accordance with the City Manager's Employment Agreement, Section 5 and 6.

The Council held an Executive Sessions under ORS 192.660(2)(i) on May 29, 2018, to hear the City Manager's self-evaluation and held an Executive Session on June 25, 2018, to complete the review and discuss the evaluation with the City Manager.

The State of Oregon open meeting law requires Council to return to an open public meeting to give a summary of the City Manager's annual performance review as it relates to compensation consideration. The City Manager's current salary was set by Resolution No. 2017-50 for Fiscal Year 2017-18 as follows: \$12,178/monthly; \$146,136/annually (2.5% increase).

RECOMMENDATION: The City Council shall take such action as it deems appropriate. Staff prepared Council resolution accepting the City Manager's Annual Performance Review and draft resolution Authorizing Compensation for the City Manager for Fiscal Year 2018-19, effective July 1, 2018 through June 30, 2019. If approved by City Council, staff will revise/update the resolution(s) after Council discussion pertaining to the City Manager's performance review, compensation consideration and any other amendments as approved by Council.

Attachment(s):

Attachment A: Copy of signed Employment Agreement

Resolution Accepting City Manager's Performance Review - Responed to 7/12/18

Draft Resolution Authorizing Compensation for City Manager for FY 2018-19



RESOLUTION NO. 2015-55

**RESOLUTION ESTABLISHING EMPLOYMENT AGREEMENT
WITH THE CITY MANAGER AND AUTHORIZING MAYOR TO
EXECUTE THE EMPLOYMENT AGREEMENT BETWEEN
THE CITY OF FOREST GROVE AND CITY MANAGER**

WHEREAS, the City of Forest Grove (hereby referred to as "City") is a municipal corporation of the State of Oregon and, as such, is subject to the provisions of the Forest Grove City Charter;

WHEREAS, Section 33 (d) of the Charter authorizes the City Council to appoint a City Manager for an indefinite term and remove them at the pleasure of the Council;

WHEREAS, City desires to employ Michael "Jesse" VanderZanden (hereby referred to as "Employee") as City Manager of City;

WHEREAS, Employee desires to accept employment as City Manager of City; and

WHEREAS, City desires to provide Employee with certain benefits, establish conditions of employment, and determine working conditions of Employee.

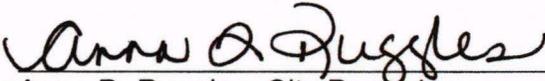
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the Employment Agreement between City and Employee attached as Exhibit A is mutually agreed upon.

Section 2. That the Mayor is hereby authorized to execute said Employment Agreement.

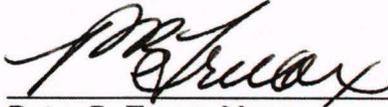
Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 13th day of July, 2015.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 13th day of July, 2015.



Peter B. Truax, Mayor

EMPLOYMENT AGREEMENT

DATE: July 13, 2015

PARTIES: CITY OF FOREST GROVE, OREGON (City) and
MICHAEL "JESSE" VANDERZANDEN (Employee).

RECITALS:

A.) City is a municipal corporation of the State of Oregon and, as such, is subject to the provisions of the Forest Grove City Charter. Section 33(d) of the Charter authorizes the City Council to appoint a City Manager for an indefinite term and remove them at the pleasure of the Council.

B.) City desires to employ Employee as City Manager of City.

C.) Employee desires to accept employment as City Manager of City.

D.) City desires to provide Employee with certain benefits, establish conditions of employment, and determine working conditions of Employee.

THE PARTIES AGREE:

SECTION ONE

APPOINTMENT, REMOVAL, AND SUPERVISION

The City Council has the sole authority to appoint, remove, and supervise Employee. Employee serves at the pleasure of the City Council and may be removed at any time without cause.

SECTION TWO

DUTIES

Employee is employed as City Manager to perform the functions and duties specified in Section 33 (e) of the City Charter and to perform such other legally permissible duties and functions as may be assigned by the City Council.

SECTION THREE

TERM OF EMPLOYMENT

Employee is appointed for an indefinite term and may be removed at the pleasure of the City Council as provided for in Section 33 (d) of the City Charter. Employee shall have the right to voluntarily resign the position.

SECTION FOUR

TERMINATION/SEVERANCE PAY

4.1 Termination without Cause. This Agreement may be terminated by either the City or Employee for any reason whatsoever upon giving thirty (30) days calendar days' written notice to the other party.

4.2 Termination for Cause. In the event of a For-Cause termination, this Agreement shall not be deemed to construe any waiver of statutory or constitutional rights or remedies otherwise available to the Employee. Employee's employment with the City may be terminated immediately in the sole discretion of the City (acting by and through its City Council) upon the occurrence of any of the following events:

- A. Employee fails or refuses to comply with the written policies, standards and regulations of the City that are now in existence or that may, from time to time be established;
- B. The City has reasonable cause to believe Employee has committed fraud, misappropriated City funds, goods or services to either his own or some other private third party's benefit and/or other act(s) of misconduct which the City Council believes is/are detrimental to the City and/or its interests; or
- C. Employee fails to perform faithfully or diligently his duties as City Manager.

4.3 Not For Cause Termination. In the event Employee is involuntarily terminated by the City (albeit Employee is willing and able to perform those duties) for reasons other than those set out above in subsection 4.2, then in that event, Employee shall be entitled to and City agrees to pay a severance payment equal to the value of one (1) month's salary for each year or portion of a year of completed service with the City beginning August 31, 2015, up to a maximum payment equal to three (3) month's salary.

4.4 If the City reduces the salary or other financial benefits of Employee in greater percentage than an applicable across the board reduction for all unclassified employees of the City, or if Employee resigns at the request of the City Council (for reasons other than those set out in subsection 4.2), then Employee may deem this Agreement to be involuntarily terminated without cause and shall then be entitled to severance pay consistent with subsection 4.3 of this section. Termination or resignation in good standing shall entitle Employee to a lump sum

payment equivalent to all accrued vacation and other entitlement benefits, consistent with the benefits accorded other unrepresented employees.

4.5 If Employee voluntarily resigns his position with the City, then Employee shall give the City at least thirty calendar days' written notice in advance, excluding accrued vacation, and Employee shall be available to serve during this period. The City Council, however, shall have the discretion to decide whether Employee shall continue in his position during the notice period.

SECTION FIVE

COMPENSATION

City shall pay Employee an annual base salary established for the position by Resolution of the City Council. This salary shall be payable in installments on specified paydays as established by the City. The City Council may adjust Employee's salary annually by Resolution, based upon evaluation of Employee's performance as provided in Section 6.

SECTION SIX

PERFORMANCE EVALUATION

The City Council shall evaluate the City Manager's performance at least once a year, and establish criteria for evaluation in accordance with the State's open meetings law. Upon conclusion of evaluation, the City Council may make an adjustment to the annual base salary, as established in Section 5.

SECTION SEVEN

HOURS OF WORK

It is recognized that the Employee must devote time outside normal office hours to the business of the City and, because of this fact, Employee will be allowed to take compensatory time, at Employee's discretion, during normal office hours.

SECTION EIGHT

OUTSIDE ACTIVITIES

Subject to the approval of the City Council, the Employee may spend a reasonable amount of time teaching or consulting outside of the City organization.

SECTION NINE

AUTOMOBILE

Employee may be provided a monthly vehicle allowance in lieu of the City providing the use of a city-owned vehicle for city business purposes. The amount of the vehicle allowance shall be set annually by the City Council as part of the employee's salary resolution. Employee will be able to use a City vehicle to take people within the areas served by all City services for City-related business. If a monthly vehicle allowance is not provided, Employee shall have the use of an automobile provided by City to be used for City-related business only, at City's expense. The automobile must not be used for home-to-work or work-to-home travel for any residence of the Employee located outside of City limits.

SECTION TEN

DUES AND SUBSCRIPTIONS

Subject to approval by the City Council, the City shall pay professional dues and subscriptions of Employee necessary for the continuation and participation of Employee in national, regional, state, or local organizations and associations necessary for Employee's continued professional growth.

SECTION ELEVEN

PROFESSIONAL DEVELOPMENT

The City shall pay travel costs and subsistence expenses actually incurred by Employee for professional and official travel.

SECTION TWELVE

REIMBURSED EXPENSES

City will reimburse Employee for expenses of a non-personal and job-related nature as they are incurred. Reimbursement shall be made upon presentation of expense vouchers, receipts, statements, or personal affidavits.

SECTION THIRTEEN

SERVICE CLUB MEMBERSHIP

The Employee may become a member of one (1) service club or community organization at City's expense.

SECTION FOURTEEN

VACATION/SICK LEAVE

14.1 Upon appointment, an immediate eligibility for two weeks (80 hours) of vacation leave will be applied to Employee's leave account. Thereafter, Employee shall accrue vacation leave at the rate established by Resolution of the City Council for management employees.

14.2 At the time of appointment, an immediate eligibility for two weeks (80 hours) of paid sick leave will be made available. Additional sick leave will accrue at the normal rate of 8 hours per month to the maximum cap set for Department Directors by the City Council.

SECTION FIFTEEN

LIFE, DISABILITY, AND HEALTH INSURANCE

City shall provide insurance benefits to Employee as established for Department Directors by Resolution of the City Council.

SECTION SIXTEEN

RETIREMENT

After six (6) months of employment, City will enroll Employee in the City's Defined Contribution Retirement Plan which was established by Resolution of the City Council, subject to the terms and conditions of the Plan. City will contribute 10% + 2% match of employee's base pay into the plan.

SECTION SEVENTEEN

DEFERRED COMPENSATION

Employee will have the option of participating in a deferred compensation plan sponsored by City. This plan is voluntary and at the sole expense of Employee.

SECTION EIGHTEEN

RESIDENCY

Pursuant to City Charter Section 33 (c), the Employee will become a resident of the City within eighteen (18) months of employment and shall remain a resident while employed by the City.

SECTION NINETEEN

MOVING EXPENSES

If Employee is required to move to accept the employment described in this Agreement, subject to the approval of the City Council, City shall pay two-thirds of the expenses associated with the move up to a maximum of \$22,000. If the employee voluntarily terminates employment within 12 months after the first day of employment, Employee agrees to reimburse the City for one-half of the moving expenses paid.

SECTION TWENTY

GENERAL

20.1 Professional Liability. The City agrees to defend, hold harmless and indemnify Employee from any and all demands, claims, suits, actions and legal proceedings brought against Employee in his individual capacity, or in his official capacity as agent and employee of the City, consistent with the terms of the Oregon Tort Claims Act (ORS 30.260 to 30.300).

20.2 Nothing shall restrict the ability of the City and Employee to amend or adjust the terms of this Agreement. However, no amendment or adjustment shall be valid unless in writing and signed by both the City and Employee. Employee reserves the right to discuss the terms of this Agreement with the City Council as a whole in either closed Executive Session or open Regular Session as state law allows and as Employee deems appropriate.

20.3 Severability. If any provision, or any portion thereof, contained in this Agreement

is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable and shall not be affected, and shall remain in full force and effect.

20.4 The rights and duties of the City and Employee shall survive the termination of this Agreement.

20.5 Mediation. Should any dispute arise between the parties regarding the terms of this Agreement or the terms of any Exhibit or work or services covered thereby, it is agreed that such dispute is required to be submitted to a mediator prior to arbitration. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If either party requests mediation and the other party fails to respond within ten days, or if the parties fail to agree on a mediator within ten days, a mediator shall be appointed by the presiding judge of the Washington County Circuit Court upon request of either party.

20.6 Arbitration. In the event the parties have a dispute concerning the terms of this Agreement, the terms and conditions of the employment relationship or the violation of any federal, state or local law relating to the employment relationship (and they have not otherwise resolved the matter through the mediation process set out in subsection (E) above) then the dispute shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) the Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. Each party shall bear equally the expense of the arbitrator and all other expenses of conducting the arbitration. Each party shall bear its own expenses for witnesses, depositions and attorneys.

20.7 Integration. This Agreement contains the entire Agreement between the parties and supersedes all prior written or oral discussions or agreements regarding the same subject.

SECTION TWENTY-ONE

EFFECTIVE DATE

This Agreement shall be subject to the adoption of a Resolution appointing Employee as City Manager, and this agreement shall then become effective on the first date of employment.

CITY OF FOREST GROVE:



Peter Truax, Mayor
City of Forest Grove

EMPLOYEE.



Michael "Jesse" VanderZanden, Employee
City Manager

RESOLUTION NO. 2018-70

**RESOLUTION OF THE CITY COUNCIL
ACCEPTING CITY MANAGER'S PERFORMANCE REVIEW**

WHEREAS, Michael "Jesse" VanderZanden was appointed as City Manager effective August 1, 2015; and

WHEREAS, the City Council shall evaluate the City Manager's performance at least once a year in accordance with the City Manager's Employment Agreement, Section 6;

WHEREAS, the City Council evaluated the performance of the City Manager in Executive Sessions under ORS 192.660(2)(i) held on May 29 and June 25, 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council hereby accepts City Manager's Performance Review dated June 25, 2018.

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 25th day of June, 2018.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 25th day of June, 2018.

Peter B. Truax, Mayor

Postponed to July 17, 2018