

RESOLUTION NO. 2016-3279

**A RESOLUTION APPOINTING JOE HANNAN TO THE POSITION OF CITY
MANAGER OF NEWBERG EFFECTIVE JUNE 6, 2016**

RECITALS:

1. The Charter of the city provides in Chapter VIII, Appointive Officers, Section 34, city manager as follows:

The office of city manager is established as the administrative head of the city government. The city manager is responsible to the mayor and councilors for the proper administration of all city business. The city manager will assist the mayor and councilors in the development of city policies, and carry out policies established by ordinances, resolutions, and orders.

2. On January 19, 2016 the council passed Resolution 2016-3251, adopting procedures for the recruitment and selection of a city manager. To date, the city has followed these adopted procedures.
3. The city has conducted an extensive, nationwide search using the services of Bob Murray & Associates.
4. The council conducted multiple interviews of candidates, selected three finalists, and received input from city employees and community members on the three finalists. The council then conducted final interviews in executive session.
5. After deliberation, the council has selected Joe Hannan as city manager of the city of Newberg, who the council determined to be the best candidate to fill this position.
6. The council directed Bob Murray to extend an offer of employment to the finalist, and staff to negotiate the contract.
7. The final step in the adopted process is to vote in an open council meeting regarding approval of the finalist and to approve the contract.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The city council appoints Joe Hannan as city manager for the city of Newberg, Oregon, effective June 6, 2016.
2. Pursuant to council direction, staff negotiated a contract with Mr. Hannan. This contract is attached as Exhibit A and by this reference incorporated. The council ratifies the contract with Mr. Hannan and authorized the Mayor to execute the contract on behalf of the city.

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3. The city council welcomes Joe Hannan as city manager for the city of Newberg.

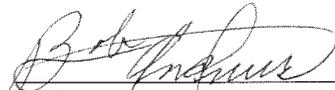
➤ **EFFECTIVE DATE** of this resolution is: June 6, 2016.

ADOPTED by the city council of the city of Newberg, Oregon, this 16th day of May, 2016.



Sue Ryan, City Recorder

ATTEST by the Mayor this 18th day of May, 2016.



Bob Andrews, Mayor

**EMPLOYMENT
AGREEMENT**

CITY OF NEWBERG

and

Joe Hannan

Effective June 6, 2016

EMPLOYMENT AGREEMENT
between
CITY OF NEWBERG
and
JOE HANNAN

RECITALS

This Agreement is entered into this 6th day of June 2016, by and between the City of Newberg, Oregon, a Municipal Corporation, hereinafter referred to as "City," and Joe Hannan, hereinafter referred to as "City Manager," both of whom understand as follows:

1. The Charter of the City of Newberg provides in Chapter VIII, Appointive Officers, Section 34, City Manager as follows:

“(a) The office of city manager is established as the administrative head of the city government. The city manager is responsible to the mayor and city councilors for the proper administration of all city business. The city manager will assist the mayor and city councilors in the development of city policies, and carry out policies established by ordinances, resolutions, and orders.”
2. The Council has directed staff to enter into discussions with Joe Hannan concerning his possible appointment as City Manager.
3. Joe Hannan has indicated that he desires to serve and would accept the appointment of City Manager.
4. By entering into this Agreement, Joe Hannan accepts the appointment to the position of City Manager.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the City and Joe Hannan hereby agree as follows:

1. **APPOINTMENT.** The City appoints and Joe Hannan hereby accepts the position as the Manager of the City with the title of City Manager of the City of Newberg. This appointment is effective the 6th day of June, 2016 at which time Joe Hannan accepts the duties and responsibilities of the position. This appointment is in accordance with the Newberg City Charter, VIII, Appointive Officers, Section 34, City Manager.

2. DUTIES.

A. The City hereby employs the City Manager to perform the functions and duties specified in the City Charter and to perform such other legally permissible and proper duties the City Council shall from time to time assign. Attached is the job description which is attached as Exhibit "A", and by this reference incorporated.

B. The City Manager shall devote full time to the performance of his duties and shall not perform any additional services without the approval of the City Council, as provided herein. In the event the City Manager desires to teach, consult or provide services to another party or person, he shall first provide written notice of such intent to the Mayor and each member of the City Council. If after ten (10) days from sending notice, the Mayor or any member of the City Council does not inform the City Manager of an objection, the City Manager may perform the requested teaching, consulting, or outside service. In the event the Mayor or any member of the City Council, within ten (10) days of sending notice, informs the City Manager of an objection, the City Manager shall not perform the requested teaching, consulting, or outside services, without first obtaining formal approval by a majority of the City Council. In no event shall the City Manager perform teaching, consulting or outside services that would create a conflict with his position of City Manager or conflict with the best interest of the City. Any objection by the Mayor or a member of the City Council shall be based upon the best interests of the City. In performing any teaching, consulting or outside service, the City Manager may use accrued administrative and/or vacation leave.

C. It is recognized that the City Manager must devote a great deal of time outside the normal office hours on business for the City, and to that end the City Manager shall be allowed to establish an appropriate work schedule.

3. TERM.

A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Mayor, with the consent of the City Council, in accordance with the City Charter, from terminating the services of the City Manager, and otherwise dismissing him from employment, at any time, without the showing of any cause, subject only to the provisions set forth in Section 11, Severance Pay, except that Section 11, Severance Pay, shall not be applicable to a termination and dismissal occasioned for the reasons set forth in Section 4, below.

B. This Agreement is for an initial term of approximately three years, commencing on the date entered into as above-stated and continuing until June 30, 2019.

C. This Agreement may be extended by mutual agreement of parties. The parties shall discuss extension of the contract on or before six (6) months prior to the end of the initial term.

4. CAUSE FOR TERMINATION & DISCIPLINE. The City shall have no obligation to pay the aggregate severance sum designated in the Section 11 entitled "Severance Pay" in the event the City Manager is terminated under this Agreement for the following reasons:

Resolution 2016-3279 Exhibit A

A. The City Manager is convicted of a misdemeanor involving moral turpitude, convicted of a felony, or indicted for a crime(s). In the event the City Manager is not convicted of said crime(s) or does not plead guilty to other crime(s) in settlement of charges for which he was indicted, he shall receive the severance pay in accordance with Section 11. However, he will not be entitled to pay for time following termination for indictment until severance pay is paid.

B. His termination for just cause as provided in the City's personnel rules. Examples of terminations for just cause include, but are not limited to: failure to be truthful during internal investigation, falsifying official reports, and other action that may reasonably prevent him from carrying out his duties as City Manager. The City Manager shall be given fair notice of the cause that could lead to his termination and reasonable opportunity to respond prior to termination. The City expects the City Manager to adhere to the highest professional standards, including the ICMA Code of Ethics as currently adopted or hereafter amended. His actions shall always comply with those standards.

C. It is recognized that the City Manager works without close supervision and it may be necessary to investigate any allegations being brought against the City Manager. In the event the Council has reasonable grounds to conduct such an investigation, the City Manager may be placed on administrative leave without pay for a maximum of two (2) weeks, while such an investigation occurs. If the investigation does not result in termination or discipline of the City Manager, the City Manager shall be compensated for the two (2) weeks leave.

D. The City is not obligated to conduct any type of progressive discipline with the City Manager. It is recognized that any type of discipline necessary will have an impact on his ability to perform the duties of the City Manager. However, in the event the City Council takes disciplinary action, which is less than termination, the City may suspend the City Manager without pay for a period not-to-exceed two (2) weeks. Suspension beyond that time shall be considered termination.

E. In the event the City Manager is terminated for just cause and, in resulting litigation, a court of competent jurisdiction rules that there was not just cause to terminate the City Manager, the only remedy available to the City Manager is payment of severance pay set out in Section 11. The City shall have no obligation to re-instate the City Manager.

5. RESIGNATION. In the event the City Manager wishes to voluntarily resign his position during the term of this Agreement, he shall be required to give the City one (1) month written notice of such intention. The City Manager will cooperate in every way with the smooth and normal transfer to a newly appointed manager. A voluntary resignation does not invoke Section 11, Severance Pay.

6. COMPENSATION. The City agrees to pay the City Manager the following compensation for the above-mentioned services as City Manager:

Resolution 2016-3279 Exhibit A

- A. Base Salary: An annual base salary of \$140,000.00 commencing upon employment, and payable in installments at the place and time as other City employees are paid. The base salary may be adjusted by the City Council from time to time. The budget process may increase compensation as other employees receive increases such as cost of living adjustments. Beginning July 1, 2017, the City Manager shall be entitled to cost of living adjustments as other non-represented employees receive.
- B. Retirement: The City Manager shall be placed in the Public Employee Retirement System. The City shall pay the employees' portion to PERS. This is in accordance with other managerial employees of the City.
- C. Fringe benefits: The City Manager is entitled to fringe benefits equal to that of other employees employed in the administrative capacity, which includes health benefits (currently at 90% paid premium), except the City shall pay the amount of a premium due for term life insurance in the amount of three (3) times the City Manager's annual salary, including all increase and base salaries of the life of this agreement. The City Manager shall name the beneficiary of the life insurance policy.
- D. The City hereby agrees to pay the expenses of the City Manager's necessary travel lodging and meal expenses (consistent with City policies) to represent the City at the annual League of Oregon Cities' Conference, and conferences or meetings of state committees or commissions upon which the City Manager serves as a member, and for such other official meetings or travel as are reasonably necessary for the professional advancement of the City Manager as approved by the City Council. said Membership on state commissions or committees is subject to the approval of the City Council. Expenditures are subject to the budgetary process of the City.
- E. The City hereby agrees to pay the normal business expenses of the City Manager such as travel expenses, mileage, and other normal out of pocket business expenses at the rate designated by the personnel manual and subject to the budgetary process of the City.
- F. The City shall support the City Manager with equipment and other electronic means such as cellular telephone reimbursement in accordance with the practices of other managerial personnel of the City, which shall be a minimum reimbursement of \$80.00 per month. Since the City Manager is a Charter appointed position, similar to the City Attorney, it is anticipated the City Manager will receive the same level of support, expenses, and equipment as the City Attorney. Such expenses are subject to the budgetary process of the City.

7. SICK LEAVE AND VACATION.

A. Sick Leave. Upon commencing employment, the City Manager shall be credited with 40 hours of sick leave. City Manager shall then accrue sick leave at the highest rate currently provided to the City of Newberg's employees.

B. Vacation. City Manager shall accrue vacation leave on an annual basis at the City of Newberg's current benefit equivalent to an employee that has been employed 5 years but less than 10 years (15 vacation days per year (120 hours)). The City Manager is entitled to accrue all unused vacation and sick leave subject to the same limitations as other employees of the City of Newberg, and in the event City Manager's employment is terminated, either voluntarily or involuntarily, City Manager shall be compensated for all accrued vacation time, paid holidays, and unused administrative leave to the date of termination.

8. ADMINISTRATIVE LEAVE. The City Manager shall be credited with fifteen (15) days of administrative leave on July 1, 2016, and shall annually be credited with an additional fifteen (15) days. Unused administrative leave does not accumulative or carry over from one fiscal year to the next.

9. ATTENDANCE AT NATIONAL CONFERENCES. The City Manager is allowed to attend national conferences as the budget of the City allows.

10. EVALUATION. The City Council shall evaluate the work performance of the City Manager annually. The City Council may choose to perform an evaluation on or around the six-month anniversary of the City Manager's commencement of work under this contract as an interim evaluation. The City Council shall communicate its evaluation to the City Manager in Executive Session. The failure of the City Council to conduct an annual evaluation shall not operate as a defense to any action by the City with respect to this Agreement or the employment of the City Manager. Consideration shall be given on an annual basis to adjust compensation at or about the time of the evaluation.

11. SEVERANCE PAY. In the event of any involuntary termination of the City Manager during the term of this Agreement, he shall be entitled to severance pay in the manner as follows:

A. City shall provide a minimum severance payment equal to six (6) months salary at the current rate of pay on the date of termination, including the cost of health insurance. This severance shall be paid as a lump sum unless otherwise agreed to by City and City Manager. The sum shall be paid within 30 days of termination.

B. City Manager shall be compensated for accrued time as provided in Section 7.

C. Termination by the City, as used in this paragraph, means the City Manager's discharge or dismissal by the Mayor with consent of the City Council or the City Manager's resignation following a salary reduction greater in percentage than an across-the-board reduction for all employees or failure to receive a salary increase equal to the increase received by all employees (commonly known as cost of living increase), or the City Manager's resignation following a formal request to him by the City Council that he resign. This provision does not apply to a voluntary resignation by City Manager.

D. Despite any contrary provision of Section 4, Cause for Termination, this Section, or any other part of this Agreement, all severance pay under this Section shall be paid only on or after the date the City Manager has a separation from service with the employer.

12. BONDING. The City shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

13. INDEMNIFICATION. The City agrees that it shall defend, hold harmless, and indemnify the City Manager from all demands, claims, suits, actions, errors, or other omissions in legal proceedings brought against the City Manager in his individual capacity or in his official capacity, or in his official capacity as agent or employee of the City, provided the incident arose while the City Manager was acting within the scope of his employment. If in the good faith opinion of the City Manager, a conflict exists as regards to the defense of any such claim between the legal position of the City and the City Manager, the City Manager may engage counsel, in which event, the City shall indemnify the City Manager for the cost of legal counsel.

14. APPLICABLE LAW. This Agreement is construed under the laws of the State of Oregon and the Charter of the City of Newberg.

15. ATTORNEY'S FEES. In the event of any suit or action herein, the prevailing party in such suit or action shall be entitled to reasonable attorney's fees to be fixed by the trial court, and if an appeal is taken from the decision of the trial court, such further sum as may be fixed by the appellate court as reasonable attorney's fees in the appellate court, together with prevailing party costs and disbursements incurred therein.

16. OTHER TERMS AND CONDITIONS OF EMPLOYMENT. The City shall, by amendments to this Agreement, fix such other terms and conditions of employment, from time to time, as it may determine, relating to the performance by the City Manager with the agreement of said City Manager, provided such terms and conditions are not inconsistent or in conflict with the provisions of this Agreement.

17. SEVERABILITY. It is understood and agreed that if any part, term, or provision of this Agreement is held by the courts to be illegal or in conflict with the laws of the State of Oregon, the validity of the remaining portion of the Agreement shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision.

[continued on the next page]

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate and affixed their signatures.

CITY OF NEWBERG

CITY MANAGER

Bob Andrews, Mayor Date
By Authority of a Resolution 2016-3279
May 16, 2016

Joe Hannan Date

This Agreement prepared by the City Attorney
and APPROVED AS TO FORM & CONTENT:

Truman A. Stone, City Attorney Date