
City of Falls City
City Council Regular Meeting Minutes
Monday May 11, 2020 6:00 PM
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

COVID-19 Related Conference Call (425)-436-6370, Code #251514

Council Present: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

Staff Present: Mac Corthell, City Manager; William Sullivan, Community Development & Outreach Coordinator; Jamie Ward, City Clerk

1. Call to Order and Roll Call

Mayor Gordon called the meeting to order at 6:00PM. Clerk Ward took roll call.

2. Pledge of Allegiance

Mayor Gordon led the pledge.

3. Motion to adopt the entire Agenda

A motion was made by J. Drill and seconded by Councilor C. Lauder to change executive session to a different date so for Council to meet in person. Her concern was that Council doesn't know who is included in the meeting when it is done over the phone. Motion Failed 3-3-0-0. Ayes: Lori Jean Sickles, Dennis Sickles, T.J. Bailey. Nays: Jennifer Drill, Tony Meier, Cliff Lauder. Mayor Gordon voted NO breaking the tie.

Council had a brief discussion regarding if there was any cause for concern regarding holding executive session over a Conference Call. Mayor Gordon opened the floor to all Councilors asking them what they felt about it. The Majority of Council agreed that they felt that they could continue to hold executive session via conference in a professional manor if City Manager Corthell felt comfortable with it. Corthell stated that he was.

A motion was made by Councilor T. Meier and seconded by Councilor T. Bailey to adopt the entire agenda. Motion carried 5-1-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey. Nays: Jennifer Drill.

4. Announcements, Appointments and Appreciations

- a. Mayor Gordon red the Certificate of Appreciation to Athena Warren (see exhibit A) for stepping in during the time of emergency.
- b. Mayor Gordon read the Proclamation of proclaiming May as Mental Health Awareness Month.

5. Community & Government Organizations

- a. Public Works
None
 - b. Falls City Volunteer Fire Department
None
 - c. Sheriff Report
-

Councilor Drill stated how wonderful it was that out numbers are down and that it is great to see in our community.

6. Reports

a. Council

Councilor Bailey has been informally talking to local High School students about potentially starting a committee to help with the possibility of designing and maintaining the Skate Park idea Council voted on in March.

b. Mayor Gordon wanted to touch a little on the reopening process. Gordon stated that Polk County has a pretty strong chance of being approved for the May 15th Phase 1 reopening.

c. William Sullivan read his staff report (see exhibit B)

Councilor's Drill and L. Sickles stated they gave theirs back to City hall back when Terry was in charge.

d. Manager Corthell read his staff report (see exhibit C)

Corthell wanted to share that there will be an update on potential updates on the City's Fee Structures.

Corthell a

Councilor Drill asked about opening the Parks.

Corthell stated that we will address that at the May Special Meeting.

Council decided to hold that meeting on Tuesday May 19, 2020 at 6:00 PM

7. Consent Agenda

A motion made by Councilor T. Meier and Seconded by Councilor C. Lauder to adopt the consent agenda. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

8. Public Comments

a. Council addressed two letters that were mailed in by Republic services and once from Clara Jean Dawson (see exhibit D and E)

9. Executive Session

Opened at 6:37PM

Closed at 7:52PM

10. New Business

a. Resolution 11-2020

Council held discussion regarding the changes made to City Manager Corthell's new contract. (See exhibit F)

Councilor Lauder had questions regarding the wording in the contract in regards to termination. Lauder does not agree with the aberration section of the contract.

Mayor Gordon stated that it's only if the termination is a "no cause termination" and not "for cause". Gordon also stated that the language was a part of the original contract.

Corthell stated that was also a part of the waiver provision where he would help find and train his replacement. This clause keeps everyone honest.

Councilor Drill asked if the City Attorney has read over the new contract.

Corthell stated that we should go over terms before sending to the attorney because council will need to make a Motion to either except the contract as written or change those terms and hold a vote.

Council agreed that they felt comfortable with accepting the contract as written.

Councilor Drill asked if the raise was based on a review after twelve months or if it is an automatic raise

Corthell stated that currently he doesn't have any raises scheduled with the old contract with the new one he will automatically get a raise after Twelve (12) Months unless there is some reason council feels that is not appropriate and if that is what a councilor choses they can put it on an agenda for council review.

Councilor Lauder wanted to have Council remember that if Corthell were to be terminated without cause then the City would have to pay Corthell six (6) months' salary.

Councilor Drill asked if there was a possibility to split the difference and have Corthell give three (3) months' notice and three (3) months' severance pay.

Councilor Bailey stated that he felt the contract was extremely fair and wanted to have some clarification on what changes were being made.

Mayor Gordon explained that the changes are the gross salary amount, increase in paid time off from ten (10) days to fifteen (15) days and the severance package moving for three (3) months to six (6) months.

Councilor Meier agreed with Councilor Drill in suggesting Corthell split the difference in his severance package if he were fired without cause. Meier also stated that even with that suggestion he feels comfortable with the contract as is.

Corthell stated that this contract was negotiated by the parties Council elected and the fact that one of the negotiators is suggesting changing it last minute is distasteful. Corthell added that he was not willing to change the contract at this point.

Councilor Bailey would like to apologize to Corthell regarding the suggestion of changing negotiations and would like to propose a motion with the contract as is.

Councilor L. Sickles asked how much it would be to have the attorney review the new contract.

Corthell stated it would be a few hundred dollars.

Mayor Gordon stated he would be comfortable adopting this contract.

Councilor D. Sickles called for a question.

A motion made by Councilor J. Drill and Seconded by Councilor C. Lauder I move that the City Council of the City of Falls City amend the Motion to include legal review Motion Failed 2-4-0-0. Ayes: Jennifer Drill, Cliff Lauder Nays: Tony Meier, Lori Jean Sickles, Dennis Sickles, And T.J. Bailey

A motion made by Councilor T. Bailey and Seconded by Councilor T. Meier I move that the City Council of the City of Falls City adopt resolution 11-2020, A RESOLUTION ADOPTING A NEW CONTRACT FOR EMPLOYMENT WITH THE CITY MANAGER. Motion carried 5-1-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey. Nays: Jennifer Drill,

- b. Corthell read his staff report stating that with Public Work Superintendent Poe's retirement. Corthell stated he feels that providing this one time deviation to extend Poe's health benefits for six (6) after his retirement is the least we can do to show our gratitude for his long time dedication to working for the city.

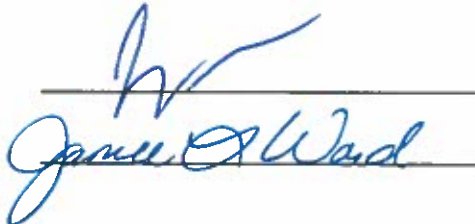
A motion made by Councilor C. Lauder and Seconded by Councilor D. Sickles I move that the City Council of the City of Falls City adopt resolution 10-2020, A RESOLUTION AUTHORIZING A ONE TIME DEVIATION FROM THE CITY'S PERSONNEL POLICY TO CONTINUE DON POE'S HEALTH INSURANCE UNTIL JANUARY 1, 2021. 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey.

11. Citizen Committees

All Citizen Committees are cancelled until further notice.

12. Adjourn

The meeting adjourned at 8:50PM.

Attested:  _____ Mayor, Jeremy Gordon
City Clerk, Jamie Ward



CERTIFICATE OF APPRECIATION

AWARDED THIS 11TH DAY OF MAY, 2020 TO

ATHENA WARREN – CITY OF FALLS CITY

FROM MARCH TO MAY OF 2020 ATHENA, IN SPITE OF 2 MONTHS ON THE JOB, A GLOBAL PANDEMIC, AND 2 YOUNG CHILDREN OUT OF SCHOOL, WAS ABLE TO TAKE COMPLETE RESPONSIBILITY FOR THE CITY'S UTILITY BILLING PROGRAM AND PREVENT IT FROM CERTAIN FAILURE. ADDITIONALLY, SHE WAS ABLE TO TAKE OVER MANAGEMENT OF MAJOR FRONT OFFICE FUNCTIONS TO PREVENT SIGNIFICANT IMPACTS TO THE COMMUNITY AND ORGANIZATION. FINALLY, ATHENA TOOK IT UPON HERSELF TO ENHANCE THE CAPABILITIES OF CITY HALL BY GETTING HER NOTARY PUBLIC

CERTIFICATION. ATHENA'S CONTRIBUTIONS CANNOT BE OVERSTATED AND HIGHLIGHT HER INNATE ABILITY TO QUICKLY LEARN, ADAPT, AND OVERCOME ANY OBSTACLE.

JEREMY GORDON, MAYOR OF FALLS CITY



Community Development & Outreach Coordinator Report
May 11, 2020

Dear Honorable Mayor and City Council,

I hope that you and your families are all doing well and staying healthy while we continue to take precautions against the COVID-19 pandemic. Despite the challenges, City Hall has been pushing work forward and I'd like to take a moment to update the City Council on my recent work.

Community & Economic Development

- Falls City Thrives continues to meet monthly. Their tax-exemption application has been submitted to the IRS and they are current on all nonprofit-formation paperwork. The group is still planning for the construction of the pocket park that Council approved during the April meeting. However, the Oregon Community Foundation has shifted focus to resilience work around the COVID-19 pandemic and as a result, grant decisions for the Oregon Parks Foundations grant are delayed.
- After City Council's approval of basic renovations to the Luckiamute Clinic building during the April 2020 meeting, City Manager Corthell and I are finalizing the scope of work for the contractor and expect renovation work to begin shortly. Falls City Thrives has already submitted a letter of interest for a grant opportunity with the Reser Family Foundation. The letter of interest was approved and we've been invited to submit further information for the project.

City Council & Committee Handbooks

- I have not yet received Council Resource Binders or heard from Councilor L. Sickles, Councilor Drill, Councilor Meier, and Councilor Lauder. Please return those to City Hall at your earliest convenience!

Thank you for your continued support.

Respectfully Submitted,

William Sullivan

William Sullivan
Community Development & Outreach Coordinator
Falls City, OR



City of Falls City
 299 Mill St • Falls City, Oregon • 97344
 Ph. (503) 787-3631 • www.fallscityoregon.gov

Manager's Monthly Report

Dear City Council,

Welcome to another edition of the City Manager's monthly report. These reports are focused on keeping the council updated as to the status of projects and initiatives, preparing them for what is to come, and looking back on what we've accomplished. Thank you for taking the time to stay informed as to the goings on in your city, please read on to learn more!

COVID-19

1. 5/6/20 Updates-
 - a. The state remains under a stay at home order as of 5/6/20. The Governor's task force has released a reopening checklist that is posted to our website.
 - b. The City's current restrictions (see 3-8 below) will remain in place until the Governor's orders, relative to the restrictions, are lifted.
 - c. The Falls City Emergency declaration lapsed on April 28, 2020. I see no practical reason at present to renew it.
 - d. Unless status changes, the temporary resolutions put into place at the beginning of the emergency will be brought to the council for cancellation in June.
2. Current Restrictions
 - a. City Hall- Operating on a full schedule, but access remains limited to the foyer door.
 - i. Hours M-Th 10am-5pm
 - ii. Meetings by appointment only
 - b. City Facilities- Closed unless special circumstances dictate otherwise
 - i. Community Center hosting Warming Center as needed
 - ii. School lunch pick up outside Community Center daily
 - c. City Parks- Green space OPEN, Social Distancing required
 - i. Park structures (e.g. playgrounds, restrooms, etc...) CLOSED until further notice
 - d. City Events- All events until June 1, 2020 CANCELLED.
 - i. Reassessment in May, 2020.
 - e. Utilities (Water/Sewer)
 - i. Shut-Offs Waived, Penalties Waived
 - f. City Committees - Cancelled until further notice

FY 2020-2021 Budget

1. Draft budget approved by Budget Committee April 23, 2020.
2. Budget Meeting to be held at June 8, 2020 Council Meeting.

CDBG Wastewater (Council Goal #1)

1. Property Acquisition-
 - a. PO's complete effluent line easements... awaiting execution by property owners.
 - b. FCSD easement will be presented to the board on 5/15/20.
2. Design, Engineering, and Permitting-
 - a. NPDES permit approved, maximum discharge allowance increased.

- b. 50% Engineering Design nearing completion... Next DEQ for facility approval
- 3. Environmental-
 - a. Last two letters back, ready for publication.
 - b. Cultural Resources (archaeological survey) and potential mitigation plan will be required. This could add a significant financial liability and affect timing. Next phase will have to contract for this.
- 4. Rate Study-
 - a. Has begun, Consultant to present to Council at June Council Meeting to discuss how a new system can get paid for, and other sewer rate related concerns.
- 5. Extension-
 - a. To November 2020 Granted.
- 6. Next Phase (construction)
 - a. One stop funding meeting cancelled, to be rescheduled after emergency.

Code Services (Council Goal #2)

- 1. Survey
 - a. City Staff is compiling results
- 2. Code Officer
 - a. City Staff is in talks with Stayton
 - b. City Staff creating database and organizing files
- 3. Municipal Court Judge
 - a. Just resigned without any discussion
- 4. Most Improved Yard
 - a. Councilor Drill organizing as time allows

Community Development Coordinator Projects

- 1. Falls City Thrives Non-Profit
- 2. Old Clinic
- 3. Pocket Park
- 4. Safe Routes to School
- 5. Committee Handbooks
- 6. Website Overhaul

Backflows

- 1. Testing- Standard Operations
- 2. Beginning planning process to pursue appropriate repair options after July 1.

Chamberlain Rd. Repair

- 1. Timber companies provided information
- 2. Working with Business Oregon to submit a preliminary proposal

Pacific Power Capital Grant

- 1. Used to install heat pump in City Hall
 - a. Complete and Closed

CLG Grant

- 1. Initial grant project cancelled due to cancellation of school year
- 2. Will submit additional information to repurpose grant once information received from grant administrator

Currently on Back Burner Until Economy Reopens

- 1. Valley of the Giants Access
- 2. Business Outreach for old Dump Site

3. Lower Park Skate Park
4. Surplus Vehicles/Equipment

Please advise if you have additional inquiries. Thank you!

Sincerely,

Macahan "Mac" Corthell, JD
City Manager
Falls City, OR

Mac Corthell

From: Jackson, Julie <JJackson6@republicservices.com>
Sent: Thursday, April 30, 2020 3:43 PM
To: manager@fallscityoregon.gov
Subject: Republic Services Update
Attachments: IMG_1687.jpg; Thank You on Cart.jpg; Thank You sign.png

Mac,

Could you please forward to the City Councilors? We want them to know what we are doing to do our part.
Julie

Republic Services has shared a long partnership with your community and I want to let you know what we are doing nationally and locally to invest in our employees and local small business. We are proud of the work we do and our ability to give back in this way. I've also attached some photos our drivers have taken. They are working diligently during this pandemic and are touched by the support they are receiving across Oregon.

- Republic Services has launched "Committed to Serve," a \$20 million initiative to recognize our 28,000 frontline employees in the field who are serving our customers every day, while also helping to support our small business customers across the nation.
- In the our local areas that includes 264 drivers, technicians and others who are on the frontlines every day, making sure residents' trash and recycling are collected.
- Our goal is to support the economy at the local level – benefiting our small business customers as well as our employees, our company and our country.
- Here's what we're doing for our frontline employees:
 - Giving bi-weekly \$100 gift cards, for a total of \$400, or over \$105,000.
 - Providing weekly meals.
 - Sending home weekly dinners for employees and their families.
- Here's how we're doing it:
 - Purchasing meals from local, small businesses to help support our customers and communities. For example, we recently purchased meals from Southpaws Pizza, Corks & Forks Catering, Cirrello's Pizza, Van Vleet Meat, Washington St. Steakhouse and In fact, Republic Services has already invested more than \$60,000 in local small businesses in the Salem, Albany, Corvallis and Grants Pass areas.
 - Encouraging employees to spend their gift cards with local, small businesses.
 - Donating \$3 million to our charitable foundation to fund long-term nonprofit partners that are working to rebuild, revitalize and restore the places where our employees live and work.
- For more information visit RepublicServices.com/CommittedToServe or join in the social conversation by using #CommittedToServe.

Other COVID-19-related changes:

- Safety:
 - At Republic Services, the health and safety of our employees, customers and communities are our top priority.

- We're providing our field employees with necessary personal protective equipment (PPE) as well as face masks.
- We're cleaning and disinfecting our trucks, equipment and facilities multiple times per day.
- We've changed the way we work to ensure proper social distancing.
- **Service:**
 - We've seen a significant increase in residential waste in our area.
 - We've made some changes like allowing cart contents only for yard debris and recycling, so that we can prioritize trash and recycling collection. This means that drivers are not picking up any extra recycling/cardboard or yard waste on the ground. We suspended bulk collection, but began picking that up again effective April 27th. Our recycle depots are all open again. Our offices remain closed to the public.
 - All of these changes are to allow us to have enough drivers to pick up the increased levels of residential waste that we are seeing.
- **Taking care of our team:**
 - We're offering 10 additional days of PTO for any employee diagnosed with COVID-19.
 - We've adjusted our healthcare plans to cover copays and medical expenses related to COVID-19 treatment along with virtual doctor visits and early prescription refills

Be Well,
Julie

Julie Jackson | Municipal Manager | BU 401, Western Oregon

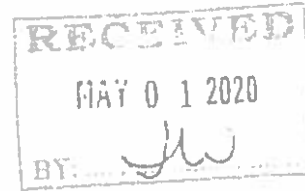
110 NE Walnut Blvd. Corvallis, OR 97330

Work 541-286-3313 ext. 204 Cell 541-936-1334 Email jjackson6@republicservices.com



Please think before printing.

Exhibit D



April 27, 2020

City of Falls City

299 Mill Street

Falls City, OR 97344

Dear Mayor and City Councilors,

It seems I am being *harassed* by what appear to be junior high age boys who hid their faces and have been *pounding* on my door at night on and off for the last 2-3 weeks.

It hit an all time problem, when they came back after *midnight* pounding and running away and returning and pounding on door. *I CANNOT SLEEP and am very disturbed in my own home.*

I have called the Polk County Sheriff's Office who sent deputies out.

I am asking for help from the city with this problem.

At one time we had a neighborhood watch.

I realize a neighborhood watch *is difficult with the CORVID 19 virus.*

I am installing more lights and a camera, but that will not necessarily solve the problem.

As a longtime resident of Falls City, I would appreciate your attention to this matter.

Thank you for considering this issue.

Best regards,

Clara Jean Dawson
Clara Jean Dawson

PO Box 383

134 Bridge Street

Falls City, OR 97344

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jward@fallscityoregon.gov

From: jward@fallscityoregon.gov
Sent: Tuesday, May 5, 2020 2:31 PM
To: 'sheriff.records@co.polk.or.us'
Cc: Mac Corthell (manager@fallscityoregon.gov)
Subject: Clara Dawson harassment letter
Attachments: 2020.05.01 _Clara Dawson letter to Mayor-Councilors.pdf

To Whom it May Concern,

The City of Falls City received this letter addressed to the Mayor and Council regarding school aged kids harassing an elderly resident at night. We felt it informative to send it to you as well. Please let me know if you need anything else. My contact information is below and Mrs. Dawson's is in the attached letter.

Kind regards,

Jamie Ward
City Clerk
299 Mill St.
Falls City, Oregon
Ph. 503.787.3631
Fa. 503.787.3023
jward@fallscityoregon.gov

DISCLOSURE NOTICE: Messages to and from this e-mail address may be subject to the Oregon Public Records Law.

EMPLOYMENT AGREEMENT

THIS AGREEMENT made and entered into this ____ day of May, 2020, by and between the **CITY OF FALLS CITY, OREGON**, a municipal corporation, hereinafter called "City," and **Macahan A. Corthell** hereinafter called "Employee."

WHEREAS, the City desires to employ the services of the Employee as City Manager as provided by the City Charter, applicable ordinances, and the City Manager Job Description; and

WHEREAS, it is the desire of the City to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, Employee desires to accept employment as City Manager of the City of Falls City, Oregon:

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREBY CONTAINED, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. DUTIES

- A. The City agrees to employ Employee as the City Manager with the job duties as further specified in the City Charter, applicable Ordinances, and the City Manager's job description contained in the Falls City Municipal Code. Employee further agrees to perform other legally permissible and proper duties and functions as the City Council shall from time to time assign.
- B. The Employee will render the services of City Manager in a professional manner.
- C. The Employee will devote the necessary hours each week to the performance of such duties that may be assigned to him by the City.
- D. The Employee will serve the City diligently and faithfully, and according to his best ability in all respects, and will use his utmost endeavors to promote the interest of the City.

SECTION 2. TERM

- A. This Agreement shall commence on May _____, 2020. This Agreement shall remain in full force and effect from the commencement date unless the City Manager is terminated or resigns as provided in Section 3.
- B. Employee is an employee at will. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City to terminate the services of the Employee, subject only to the provisions set forth in Section 3 of this Agreement.

- C. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with the City, subject only to the provisions set forth in Section 3, Paragraph B of this Agreement.
- D. This Agreement shall remain in full force and effect from its effective date unless it has expired or is terminated by either party as provided in Sections 2 and 3 of this Agreement.
- E. Employee agrees to remain in the exclusive employ of the City throughout the duration of this Employment Agreement, and to neither accept other employment nor become employed by another employer until the termination date of this Employment Agreement, unless the outside employment is pre-approved by the City and does not interfere with the City Manager's job duties.

SECTION 3. TERMINATION AND SEVERANCE PAY

- A. Termination Without Cause. In the event City terminates Employee Without Cause, City agrees to pay employee a lump sum payment equal to six (6) months' of Employee's base salary. All severance payments are subject to required payroll withholding and deductions. Employee's acceptance of the severance payment shall constitute a release and waiver of all claims of any type or nature whatsoever against City, it's Mayor, Councilors, employees, volunteers and agents. Employee and City agree to execute a Release and Waiver of Claims acceptable to City as a condition of Employee receiving severance pay.
 - 1. Waiver of Severance. If the City Council provides reasonable notice of termination without cause, to occur on a future date certain, the severance owed to the City Manager post-termination will be reduced on a day for day basis by the total days in the notice period. For purposes of this calculation, 6 months shall be equal to 183 calendar days. The pay received during the notice period shall not be considered severance pay, but shall entitle the City to a credit against the severance pay owed to Employee on a day for day basis.
 - 2. Notice Required. For purposes of paragraph one (1) above, notice shall only be considered reasonable if a majority of the City Council, at a public meeting, agrees to place Employee on notice of intent to terminate, without cause, at a future date certain. Notice shall not be considered reasonable, and the notice period shall not commence, until a termination date is agreed upon by a majority of the City Council.
- B. Voluntary Resignation. If Employee voluntarily resigns his position during this Agreement, he shall give the City thirty (30) days' advance written notice, unless the parties otherwise agree. If he fails to give the required notice, the City may, at its sole discretion, reduce Employee's sick and vacation benefits payable to resigning City employees (the reduction equal to the number or sick and vacation

hours Employee would have earned over the course of 30 days). Employee is not entitled to any severance payment under this Agreement in the event of Employee's voluntary resignation.

- C. For Cause Termination. City may terminate For Cause. Employee is not entitled to any severance payments under this Agreement if he is terminated For Cause. Termination "for cause" means termination occurring due to Employee's: neglect of duty, breach of contract, inefficiency, insubordination, conduct involving moral turpitude, inadequate performance, repeated or serious violations of City policies, dishonesty of any kind, or failure to comply with other reasonable requirements as the City may prescribe.

If the parties dispute whether the Employee was terminated "for cause," either party may request binding arbitration on the question. Arbitration shall be requested by delivering the other party a written request for arbitration. Within thirty (30) days of receipt of such request, the parties shall select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within thirty (30) days, an arbitrator shall be appointed by the Circuit Court for the State of Oregon for Polk County, in accordance with ORS 36.310. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's final decision shall be final and binding upon the parties. All arbitrations shall take place in Polk County Oregon, unless the parties both agree to have the matter arbitrated elsewhere. Each party agrees to pay its own arbitration costs, including any attorney fees or costs.

SECTION 4. SALARY AND RETIREMENT

- A. Effective at the beginning of the pay period immediately following the execution date of this agreement, the City shall pay Employee for services rendered under this Agreement at an annual rate of \$75,000, which sum shall be payable in installments at the same time and manner as other employees of the City are paid. After twelve (12) months, Employee's pay shall be increased to a rate of \$80,000 annually, unless Employee or any member of the City Council objects at that time. The Mayor shall put the salary increase on the City Council agenda for objection at the City Council Meeting immediately prior to the increase taking affect.
- B. The City shall consider annual cost of living increases to Employee's base salary at the earliest Council Meeting after May 1st of each year. The percentage increase to be considered shall be based on the West - Size Class B, Consumer Price Index (CPI), for the year ending with the most recent December. The City reserves full discretion to deny the cost of living increase for any reason, or no reason. The City will not take up a cost of living increase if a raise equal to, or in excess of the CPI has been granted in the calendar year prior to the Council

Meeting at which the cost of living increase would be taken up. The effective date of any pay increase in any year will be July 1.

- C. The City agrees to classify the City Manager position as an Oregon PERS-qualified position and to make payments to PERS as with other City employees.

SECTION 5. PERFORMANCE EVALUATION

The Mayor and Council shall review and evaluate Employee's performance after six (6) months and again after twelve (12) months. Thereafter, performance reviews shall take place annually. The City Manager shall administer, schedule and provide sample performance evaluation materials to the Mayor and Council prior to budget adoption, or at such other or more frequent times as the Council may desire. Employee performance review and evaluation shall be in accordance with criteria and duties set forth in the City Manager's job description and other criteria as the Council may establish. The Mayor, as directed by the Council, shall provide the Employee with a written summary statement of the evaluation and provide an adequate opportunity for Employee to discuss any concerns or response with the Mayor and Council. The performance summary and any written response shall be made part of the Employee's personnel file.

SECTION 6. HOURS OF WORK

It is recognized that the Employee must regularly devote in excess of forty (40) hours per week to his duties and that such time is often outside the "normal office hours" of the City. The Employee may exercise discretion to apportion some working hours to occur "off-site" at his discretion, and may take administrative time off of his regularly scheduled work hours, as long as it does not adversely affect the operation of the City. Employee shall preserve documentation to account for administrative, sick leave, vacation, or holiday time used.

SECTION 7. LEAVE

Vacation Leave. Employee shall be entitled to paid vacation time earned and accrued on the basis of 15 days for each 12 months of employment. Vacation time shall accrue on a pro rata basis, and shall be taken as the Employee and Employer shall agree with 320 hours maximum accrual.

Sick Leave. Employee shall be entitled to sick leave time as delineated in the Falls City Employee Handbook for an Employee of equivalent time in City Service.

SECTION 8. PROFESSIONAL DEVELOPMENT

The City agrees to budget and pay for Employee's travel and subsistence expenses necessary for his professional development and beneficial to the City. Subject to budgetary constraints, time limitations and the convenience of both the City and the

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Employee, the Employee is permitted and encouraged to attend such professional development meetings, activities seminars, courses, and institutes in accordance with the City's applicable policies.

City will pay for the City Manager's membership in the International City/County Managers Association (ICMA) and the Oregon City/County Managers Association (OCCMA) and associated local and national conferences, as approved and budgeted by the Mayor and Council.

City will pay for Employee's expenses associated with civic membership, as approved and budgeted by the Mayor and the Council.

SECTION 9. INDEMNIFICATION

The City shall defend, save harmless and indemnify Employee against any tort, professional liability claim, or other legal action, arising out of an alleged act or omission occurring in the course and scope of performance of Employee's duties as City Manager to the extent required under Oregon law and subject to the limitations within the Oregon Tort Claims Act and the Oregon Constitution.

SECTION 10. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

City general employee regulations, rules, policies and benefits shall apply to Employee *unless they conflict with or are inconsistent with this Agreement*. If there is a conflict or inconsistency between the City's regulations, rules or policies and this Agreement, this Agreement shall prevail. Specifically, any City regulations, rules or policies pertaining to the City Manager performance review process, termination process, disciplinary process, and disciplinary review process will not apply. This Agreement provides the City's sole and exclusive performance review process, termination process, disciplinary process, and disciplinary review process for the City Manager.

SECTION 11. GENERAL PROVISIONS

- A. Wherever this Agreement provides an option, election or approval by the City, such provision shall be construed to require that such option, election or approval shall be made by the City Council, except where this Agreement specifies that the option, election or approval may be given by the Mayor.
- B. This Agreement shall constitute the entire agreement between the parties.
- C. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Employee.
- D. If any provision or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of the Agreement or

portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

- E. Employee acknowledges this document has been drafted by the City Attorney, who does not represent him, and that he has had the opportunity to consult with legal counsel of his choosing at his expense before signing below.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals effective the day, month and year first above written.

CITY OF FALLS CITY, OREGON:

EMPLOYEE:

By: _____
Jeremy Gordon, Mayor

Macahan Corthell

Date: _____

Date: _____