

MEMORANDUM

TO: Mayor and City Council
FROM: Mayor Candace Solesbee
SUBJECT: CITY MANAGER EMPLOYMENT AGREEMENT
DATE: January 3, 2023

Background


The attached City Manager Employment Agreement is made and entered into by and between the City of Cottage Grove, an Oregon municipal corporation and Michael Sauerwein. The agreement is effective January 8, 2024 with the first day of employment to commence on January 22, 2024.

Recommendation

That the City Council consider the Employment Agreement for Michael Sauerwein as City Manager of The City of Cottage Grove and if the Council desires, by motion, approve the agreement and authorize the Mayor to sign the City Manager Employment Agreement.

Cost

No cost.


Candace Solesbee, Mayor

CITY MANAGER EMPLOYMENT AGREEMENT

This City Manager Employment Agreement (hereinafter "Agreement") is made and entered into by and between the City of Cottage Grove, a Oregon municipal corporation (hereinafter "City") and Michael Sauerwein (hereinafter "Employee") on this 8th day of January, 2024.

WHEREAS, the City desires to employ Employee as its City Manager and Employee has agreed to serve in this capacity. Therefore, in consideration of the terms and conditions of this Agreement, the parties agree as follows:

1. Duties and Responsibilities

- 1.1 Term. Effective January 8, 2024, the City will employ Employee as its City Manager. The first day of employment will commence on January 22, 2024. Employee hereby accepts such employment upon the terms and conditions set forth in this Agreement.
- 1.2 Duties. Employer agrees to employ Employee as its City Manager. Employee agrees to serve as City Manager in accordance with state statutes, City Charter and Municipal Code and the Code of Ethics of the International and Oregon City/County Management Associations (ICMA and OCCMA respectively), and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.
- 1.3 Devotion of Time and Effort. Employee shall devote his full time, energies, interests, and abilities to the performance of the duties and responsibilities of the City Manager and shall not engage in activities that conflict with or interfere with the performance of this Agreement.
- 1.4 Work Schedule. The typical minimum work week shall be approximately 40 hours, plus any additional work time reasonably required to discharge the duties and responsibilities of the office of City Manager. It is understood that the position of City Manager requires attendance at evening meetings and occasionally at weekend meetings without additional compensation, provided that Employee may absent himself from the office to a reasonable extent in consideration of extraordinary time expenditures for evening and weekend meetings.

2. At-Will Employment

Employee shall be employed for an indefinite term commencing as provided above. Employee's employment with the City is "at-will" and may therefore be terminated at any time by the City or Employee with or without Cause (as defined below), subject to Section 6 of this Agreement.

3. Compensation

- 3.1 Base Annual Salary. As compensation to Employee for services rendered to the City as its City Manager, upon hire Employee shall be paid a base annual salary of One Hundred Seventy-Five Thousand Dollars (\$175,000), payable in accordance with the City's regular payroll periods and procedures and subject to all withholdings and deductions required by law. The position of City Manager is exempt from overtime under state and federal law and Employee therefore shall not be eligible for overtime pay or compensatory time. The City may modify the Employee's salary in the future based on its evaluation of Employee's performance, the terms of this Agreement and/or other considerations deemed relevant by the City.
- 3.2 Retirement. Employer shall contribute to the Oregon State Retirement System (PERS) as required by State law for Employee. Employer agrees and shall pay both the employer and employee contribution to the Employee's PERS account.
- 3.3 Moving/Temporary Housing Reimbursement. The City shall reimburse Employee up to Five Thousand Dollars (\$5,000) in moving and/or temporary housing expenses incurred by Employee in order to perform services under this Agreement. Expenses must be incurred and submitted for reimbursement to the City within the Employee's first six (6) months of employment. Payment shall be made upon receipt by the City of documentation that the expenses have been incurred and are deemed reasonable.
- 3.4 Expenses. The City agrees to reimburse the Employee for reasonable and necessary expenses incurred for the benefit of the City in accordance with City policy.
- 3.5 Professional Development. The City shall budget and pay for the professional dues and subscriptions of Employee for his continuation and full participation in state and local associations and organizations necessary for his continued professional participation, growth and advancement to better serve the interests of the City. City, subject to budget availability, will pay for attendance at two OCCMA and one ICMA conferences per fiscal year.

The City further recognizes the value of having Employee participate in and be directly involved in local civic clubs or organizations. Accordingly, the City shall pay for reasonable membership fees and dues to enable the Employee to become an active member in two local civic clubs and organizations.

4. Benefits

- 4.1 Health and Other Insurance. Employee is eligible to participate in the City's health and other insurance benefits on the same terms as those benefits are provided to other management-level, non-represented employees of the City.
- 4.2 Vacation. Upon hire, Employee shall receive a bank of eighty (80) hours of vacation. Thereafter, Employee shall accrue vacation on the same terms as other management-level non-represented City employees starting at 10 hours per month consistent with the benefit for a ten-year employee. Future accrual rates will be adjusted as per the increasing years served per the Employee Manual.
- 4.3 Sick Leave. Upon hire, Employee shall receive a bank of eighty (80) hours of sick leave. Thereafter, Employee shall accrue sick leave on the same terms as other management-level non-represented City employees.
- 4.4 Holidays and Other Paid/Unpaid Leave. Employee shall receive holiday leave and other paid/unpaid leave benefits as the City may provide from time to time on the same terms as those benefits are provided to other management-level, non-represented employees of the City.
- 4.5 Automobile and Mobile Phone Allowance. Employee shall be paid a monthly allowance of Four Hundred Dollars (\$400) for use of his personal automobile and a mobile telephone for Employer business. Mileage at the IRS rate will be paid for any City business-related round-trip in excess of one hundred (100) miles.
- 4.6 Employee Time Off - March 15, 2024 - April 5, 2024. Employee has a vacation which was planned and arranged prior to his agreement to become City Manager. During the above-listed dates he's approved for time off on the condition he maintains regular email and phone contact with city officials so as to stay informed on the day-to-day operations and on-going projects and to take appropriate action as necessary to address issues. During this time period, employee agrees to take time-off without pay for any days that aren't covered by accrued vacation hours.
- 4.7 Other City Benefits and Policies. Employee will receive other benefits provided by, and be subject to any obligations included in, applicable City policies as may from time-to-time be adopted or amended by the City; provided that no such policy will be applicable to the extent that it conflicts with a term of this Agreement.

5. Performance Standards and Evaluation

Employee will be evaluated on his job performance and ability to meet established goals and objectives after six (6) and twelve (12) months of employment and annually

thereafter or when otherwise deemed appropriate by the City. After six (6) months of employment and subject to a satisfactory performance review, the annual salary shall be increased by three percent (3%) of then-current base salary. After one (1) year of employment and subject to a satisfactory performance review, the annual salary shall be increased by three percent (3%) of then-current base salary.

6. Termination

- 6.1 Termination Without Cause. The City may terminate this Agreement without Cause at any time by providing written notice to Employee. In the event the City terminates the Agreement without Cause, the City will pay the Employee his base salary and health insurance costs for six (6) months in equal monthly installments from termination date set at the amounts then being paid to Employee. This severance will increase by one (1) month per year up to a maximum of twelve (12) months salary and benefits after six years of continuous employment.
- 6.2 Termination for Cause. The City may terminate this Agreement and Employee's employment at any time for Cause by providing written notice to Employee. "Cause" is defined to include Employee's: (i) act of dishonesty related to his employment; (ii) failure to follow a lawful directive by the City; (iii) failure to substantially perform his duties under this Agreement (provided that Employee has been given notice and an opportunity to cure an alleged failure to perform any duties that are not emergency-related); (iv) commission of a felony or crime of moral turpitude; or (v) willful violation of City policy or other willful misconduct. In the event of a termination for Cause, Employee shall be paid: (1) his base salary earned through the date of termination; and (2) the value of his accrued but unused vacation, but he shall not be entitled to receive any further compensation or benefits.
- 6.3 Resignation/Retirement. Employee may terminate this Agreement and Employee's employment by providing a minimum of thirty days' (30) written notice to the Mayor of his intent to resign or retire. Failure to provide the minimum notice of a resignation or retirement will result in a reduction in Employee's vacation leave cash out by the number of days/hours that Employee would have been expected to work had adequate notice been provided, unless otherwise agreed upon by the City. In the event of his resignation or retirement, Employee shall be paid: (1) his base salary earned through his final day of employment; and (2) the value of his accrued but unused vacation, subject to adjustment for lack of advance notice, but he shall not be entitled to receive any further compensation or benefits.
- 6.4 Death; Disability. The City may terminate this Agreement and Employee's employment upon Employee's death or Disability by providing written notice to Employee. For purposes of this Agreement, "Disability" shall mean Employee's

inability to perform the duties and responsibilities of City Manager for six months within any consecutive 12-month period. In the event of a termination due to death or Disability, Employee or his estate shall be paid: (1) his base salary earned through his final day of employment; and (2) the value of his accrued but unused vacation.

7. Integration/Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes all prior oral or written agreements or understandings between the parties with respect to the subject matter of this Agreement. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties. To the extent that any provisions of this Agreement conflict with those of any other agreement or policy, the terms in this Agreement will prevail. If any portion of this Agreement is held to be unenforceable, the remainder of this Agreement shall remain in full force and effect.

8. Other Terms and Conditions

- 8.1 Any notice to the City under this Agreement shall be furnished in writing by Employee to the Mayor. Any notice to Employee under this Agreement shall be furnished in writing by the City. All such notices must be sent by first-class mail or delivered in person.
- 8.2 The Mayor and City Council may fix in writing any other terms and conditions of employment as they may determine from time to time relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, City ordinances, or any other law.
- 8.3 All provisions of City ordinances, regulations, rules and personnel policies as they now exist or hereafter may be amended, shall also apply to Employee as they would to other employees of the City, except as may be specifically agreed upon in this Agreement.
- 8.4 This Agreement shall be interpreted, construed, and applied according to the laws of the State of Oregon.
- 8.5 All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.
- 8.6 No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

9. Counterparts.


This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the dates indicated below.

CITY OF COTTAGE GROVE

MICHAEL SAUERWEIN

Candace Solesbee, Mayor



Michael Sauerwein

Date _____

Date 1-2-2024