

**CITY OF ASHLAND
Employment Agreement**

Community Development Director

THIS AGREEMENT, made and entered into this 6th day of November 2007 by and between the City of Ashland ("City") and Bill Molnar ("Employee").

RECITALS:

- A. City desires to employ the services of Employee as Community Development Director of the City of Ashland; and
- B. It is the desire of the City to establish certain conditions of employment for Employee; and
- C. It is the desire of the City to (1) secure and retain the services of Employee and to provide inducement for Employee to remain in such employment, (2) to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security; (3) to act as a deterrent against malfeasance or dishonesty for personal gain on the part of Employee; and (4) to provide a just means for terminating Employee's services at such time as Employee may be unable fully to discharge Employee's duties due to disability or when City may otherwise desire to terminate Employee's services; and
- D. Employee desires to accept employment as Community Development Director of City of Ashland, and to begin his employment on November 7, 2007.

City and Employee agree as follows:

Section 1. Duties.

The city hereby agrees to employ Bill Molnar as the Community Development Director of the City to perform the functions and duties specified in City ordinances, and the job description attached as Exhibit A and to perform such other legally and ethically permissible and proper duties and functions as the City Council shall from time to time assign. The Community Development Director shall devote full time to the performance of his duties. The Community Development Director may hold outside employment so long as it does not impact the ability of the Community Development Director to effectively perform his duties.

Section 2. 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 Community Development Director at any time, subject only to the provisions set forth in the section entitled "Severance pay" of this agreement.

B. Employee agrees to remain in the employ of City until November 1, 2009, and, except as set forth in Section 1, neither to accept other employment nor to become employed by any other employer until this termination date, unless the termination date is affected as otherwise provided in this agreement. This provision shall not restrict Employee from using vacation or personal leave for teaching, consulting or other activities provided these activities do not conflict with the regular duties of the Employee.

C. In the event written notice is not given by either party to terminate this agreement at least ninety (90) days prior to the termination date, this agreement shall be extended for successive two-year periods on the same terms and conditions as provided herein.

D. In the event Employee wishes to voluntarily resign the position during the term of this agreement, Employee shall be required to give the City six weeks written notice of such intention, unless such notice is waived by the City Administrator with the approval of the Mayor and City Council. Employee will cooperate in every way with the smooth and normal transfer to the newly appointed individual.

Section 3. Salary.

Beginning November 6, 2007, City agrees to pay Employee a monthly salary at Step C. of the salary schedule (\$8,001 per month) payable at the same time and in the same manner as other employees of the City are paid. The Employee shall be eligible for an increase to step D of the salary schedule (\$8,319 per month) upon completion of a satisfactory evaluation 6 months after start date.

Section 4. Performance Evaluation.

The City Administrator shall review and evaluate the performance of the employee at least once annually.

Section 5. Hours of Work.

It is recognized that Employee must devote a great deal of time outside the normal office hours to business of the City, and to that end Employee will be allowed to take compensatory time off as Employee shall deem appropriate during normal office hours, so long as the business of the department is not adversely affected. Work in excess of an average of forty (40) hours per week is deemed part of the professional responsibility for which the Employee shall not be paid overtime but for which he shall receive a minimum of five (5) days of administrative leave each year. Employee will receive additional administrative leave if granted by the City Council in the Management Resolution adopted each year.

Section 6. Automobile.

Employee's duties require that Employee shall have the exclusive use at all times during employment with the City of an automobile to carry out the business of the City. The City shall provide an automobile allowance of \$350/month for the use of said automobile for travel. Employee shall be responsible for paying for insurance, operation,

maintenance and repairs of the vehicle.

Section 7. Health, Welfare and Retirement.

Except as modified by this agreement, Employee shall be entitled to receive the same retirement, vacation and sick leave benefits, holidays, and other fringe benefits and working conditions as they now exist or may be amended in the future, as apply to any other department head, in addition to any benefits enumerated specifically for the benefit of Employee as provided in this agreement.

Section 8. Dues and Subscriptions.

City agrees to budget and to pay for the professional dues and subscriptions of Employee necessary for the continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for Employee's continued professional participation, growth and advancement, and for the good of the City.

Section 9. Professional Development.

A. The City hereby agrees to annually budget and allocate sufficient funds to pay the expenses of the Community Development Director's necessary travel and living expenses to represent the City at conferences or meetings of national and state committees or commissions upon which the Community Development Director serves as a member, said membership on said state commissions or committees being subject to the approval of the City Administrator, and for such other official meetings or travel as are reasonably necessary for the professional advancement of the Community Development Director as approved by the City Administrator

B. City also agrees to budget and to pay for the travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for his professional development and for the good of the City.

Section 10. Professional Liability.

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

Section 11. Severance Pay.

A. In the event of the involuntary termination of the Community Development Director during the term of this agreement, or a successor agreement, he shall be entitled to receive a lump sum payment equal to six (6) months aggregate salary and benefits. Termination by the City, as used in this paragraph, means the Community Development Director's

discharge or dismissal by the Mayor with consent of the City Council or the Community Development Director's resignation following a salary reduction greater in percentage than an across-the-board reduction for all city employees, or the Community Development Director's resignation following a formal request to him by the City Council that he resign. Said sum shall be paid to the Community Development Director within thirty (30) days of the next regular council meeting after said termination.

B. In the event Employee is terminated because of his conviction of any crime involving moral turpitude or illegal act involving personal gain to him, then, in that event, City shall have no obligation to pay the aggregate severance sum designated in Section 11.A.

Section 12. Other Terms and Conditions of Employment.

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 Employee with the agreement of Employee, provided such terms and conditions are not inconsistent or in conflict with the provisions of this agreement.

Section 13: Severability. 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 portions 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.

Section 14. PERS Pick-up. Employee contributions to the Public Employees' Retirement system (PERS) shall be "picked up" by the City. Employee shall not have the option of receiving money designated for retirement contributions and directly making the contribution to PERS. Employee's reported salary for tax purposes shall be reduced by the amount of the employee's contribution to PERS.

Dated this ____ of _____, 2007.

Barbara Christensen, City Recorder

John Morrison, Mayor

Accepted this ____ day of November 2007.

Bill Molnar