

Council Business Meeting

Date October 2, 2019

Agenda Item	Addendum to City Administrator Employment Contract	
From	Tina Gray	Human Resource Director
Contact	tina.gray@ashland.or.us ; (541) 552-2101	

SUMMARY

During Kelly Madding's first annual performance evaluation as City Administrator, the Council asked that staff return with an addendum to her employment contract to recognize the added fiscal management responsibilities in absence of a full-time Administrative Services/Finance Director.

POLICIES, PLANS & GOALS SUPPORTED

N/A

PREVIOUS COUNCIL ACTION

Following a competitive selection process, Council approved Kelly Madding's Employment Contract on July 3, 2018 at their regular Business Meeting.

BACKGROUND AND ADDITIONAL INFORMATION

Kelly Madding began working as Ashland's City Administrator on July 30, 2018. During her first year on the job, the City experienced a significant budget shortfall. Kelly worked closely with finance staff on a plan to address the shortfall and try to get the City on a more fiscally sustainable path. Administrative Services/Finance Director Mark Welch announced his resignation toward the end of a challenging biennial budget process. Since Mark's departure on May 31, 2019, his position has remained vacant intentionally. By not filling the position, the City is able to realize savings in the Central Service fund. All departments in the City pay Central Service fees to pay for services and resources used and shared by all departments (IT, Finance HR). Kelly has shouldered the workload of Administrative Services/Finance Director in addition to her responsibilities as City Administrator.

During her first annual performance evaluation delivered by the City Council in Executive Session on August 6, 2019, the Council expressed concern about the added workload in addition to Kelly's extensive list of Goals for the upcoming year as City Administrator. Council asked that staff return with a proposal for compensation for the added duties and responsibilities that fall to Kelly Madding in the absence of an Administrative Services/Finance Director. The amount of five percent is common within the City for taking on significant added workload beyond regular job duties.

FISCAL IMPACTS

Staff is recommending that five percent Acting-Out-of-Class (AOC) pay be added to the compensation of Kelly Madding until such time as a new Administrative Services/Finance Director is hired. The added compensation serves to recognize the extra duties and responsibilities associated with management of the City's finances beyond her role as City Administrator.

The added five percent compensation equates to \$4,045.33/hour, or \$701/month. With approximate added benefit roll-up costs of 50 percent, the cost is \$1,051.76/month or \$12,621/year. The Administrative Services Director position was included in the FY 2019/21 budget with a total compensation of \$215,867. For each month the Administrative Services/Finance Director position remains unfilled, the Central Service Fund recognizes a savings of \$17,988. The AOC pay for the City Administrator is well within the existing budget and still allows the City to recognize significant budget savings.

STAFF RECOMMENDATION

Staff is recommending approval of an addendum to the City Administrator’s employment contract to reflect five percent AOC pay recognizing the added workload and responsibilities in absence of an Administrative Services/Finance Director.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move to approve an Addendum to the City Administrator’s Employment Contract adding five percent compensation for added fiscal management responsibilities in the absence of an Administrative Services/Finance Director.

REFERENCES & ATTACHMENTS

- Attachment 1: Initial Employment Contract for Kelly Madding as City Administrator
- Attachment 2: List of Kelly’s 2018-2019 Accomplishments and 2019-2020 Goals
- Attachment 3: Addendum to July 3, 2018 City Administrator Employment Agreement

**CITY OF ASHLAND
Employment Agreement**

City Administrator

THIS AGREEMENT, made and entered into this 3rd day of July, by and between the City of Ashland ("City") and Kelly A. Madding ("Employee").

R E C I T A L S

- A. City desires to employ the services of Employee as the City Administrator 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 assuming 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 City Administrator of the City of Ashland, and to begin her employment July 30, 2018.

City and Employee agree as follows:

Section 1. Duties.

The City hereby agrees to employ Kelly Madding as the City Administrator of the City of Ashland to perform the functions and duties specified in the City Charter, City Ordinances, and the job description for the position, and to perform such other legally and ethically permissible and proper duties and functions as the Mayor and/or City Council shall from time to time assign. The City Administrator shall devote full time to the performance of her 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 City Administrator at any time, subject only to the provisions set forth in the section titled "Severance pay" of this agreement. Except as specifically provided in this Agreement, Employee shall serve at the pleasure of the City, without any requirement to demonstrate cause for dismissal.
- B. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the Employee to resign at any time from her position with the City, subject only to the provisions of this agreement.
- C. Employee agrees to remain in the employ of the City until July 30, 2021, and 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

and are approved in writing by the Mayor, with the consent of the City Council.

- D. 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 three-year periods on the same terms and conditions provided herein.
- E. In the event Employee wishes to voluntarily resign the position during the term of this agreement, Employee shall be required to give the City thirty (30) days written notice of such intention, unless such notice is waived by the Mayor, with consent of the City Council. Employee will cooperate in every way with the smooth and normal transfer to the newly appointed individual.

Section 3. Salary

Beginning July 30, 2018, City agrees to pay Employee a monthly salary at step 3 of the salary schedule (\$153,446/year). Employee will advance to the Top Step (\$161,118) after one year of successful performance as determined by the Mayor and City Council. The City agrees to annually increase the monthly salary and/or benefits in the same percentage as may be accorded other department heads. In addition, the Mayor and City Council agree to review the base salary and other benefits of the Employee at the Employee's annual performance review, and to make such adjustments, if any, which it deems appropriate.

Section 4. Performance Evaluation.

The Mayor and City Council shall review and evaluate the performance of the employee at least once annually. Said review and evaluation shall be in accordance with specific criteria developed jointly by City and Employee. Further, Employee shall receive a written copy of the findings of the evaluation process and be provided an adequate opportunity for the employee to discuss the details of the evaluation.

Section 5. Hours of Work.

It is recognized that Employee must devote a great deal of time outside the normal office hours to the 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 City is not adversely affected. Work in excess of forty (40) hours per week is deemed part of the professional responsibility for which the Employee shall not be paid overtime. In recognition of the extra hours required of the City Administrator, Employee shall receive eighty (80) hours of administrative leave each year to be used before June 30th or deemed forfeited. 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 use of a motor vehicle at all times during employment with the City. The City shall provide an automobile allowance of \$400.00/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, 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, as spelled out in the City's Management Resolution in addition to any benefits enumerated specifically for the benefit of Employee as provided in this agreement. Additionally, the City will provide forty (40) hours of vacation at the Employee's first day of work, and forty (40) hours of sick leave.

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, growth and advancement, and for the good of the City.

Section 9. Professional Development

The City hereby agrees to annually budget and allocate sufficient funds to pay necessary travel and living expenses of the City Administrator while she represents the City at conferences, trainings, official business meetings or professional organizations that serve the City's interest and/or are reasonably necessary to provide for the professional advancement of the City Administrator. Membership on any national or state commission or committee shall be subject to the approval of the Mayor and City Council.

Section 10. Professional Liability

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

Section 11. Severance Pay

- A. In the event Employee is dismissed during the term of this Agreement, and Employee is not being dismissed for any reason set forth in paragraphs B or C of this section, the City agrees to offer Employee a severance agreement. Except as provided in 11D below, total severance pay will be equal to the employee's annual salary at the time of dismissal. Severance payments will be made in equal installments every other week during the 12-month severance period. Severance payments will terminate one year after the date of dismissal.

In addition, the severance agreement offered to the employee will require the City to continue to pay the employer portion of the premium for medical and dental insurance coverage through the end of the month the Employee's severance pay is intended to cover or until the last day of the month in which Employee obtains employment with alternative insurance whichever occurs earlier.

As a condition of the severance offer, the Employee will be required to release the City, its officers, representatives, insurers, and employees from claims arising from employment with the City and separation of employment.

- B. Employee will not be eligible to receive the severance offer described in Paragraph A of this section if this Agreement is not renewed by the City, as provided in Section 2, above. Employee also will not be eligible to receive the severance agreement offer if Employee breaches any provision of this agreement, or if Employee engages in any act of misconduct in the performance of duties on behalf of the City. The term "misconduct" includes misappropriation, dishonesty, breach of trust, insubordination, neglect of duty, failure to perform duties in a manner that is consistent with applicable law, failure to correct performance deficiencies identified in writing by the City Council after a reasonable opportunity, as determined by the City, to correct the deficiencies; committing any violation of City policies or standards that the City deems a serious violation; or engaging in other action demonstrating a disregard for the interest of the City. The term "misconduct" also includes engaging in criminal acts or other off-duty behavior that the City views as impairing the Employee's ability to effectively perform the Employee's duties or jeopardize the reputation of the City.

- C. Employee will not be eligible to receive the severance offer described in Paragraph A of this Section if Employee, in accordance with applicable law, is dismissed due to a disability that prevents Employee from performing the duties of the position.
- D. If Employee is employed by another employer other than the city during the severance period, Employee's total severance pay from the city will be no more than the Employee's annual salary at the time of dismissal minus her earnings from such employment during the severance period. Employee will promptly notify the city in writing of the amount of such additional earnings from employment. The fortnightly severance installment payments will be adjusted as appropriate to account for any resulting reduction in total severance pay.

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.

In 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. Other Terms and Conditions of Employment

The Employee is subject to all personnel policies of the City of the City and the City's Management Resolution except to the extent that they are inconsistent with an expressed term of this agreement.

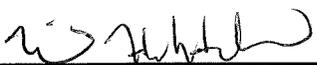
Section 15. PERS Pick-up

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.

Section 16. Complete Agreement

This agreement shall constitute the entire agreement between the City and Employee and supersedes all prior agreements, representations and understandings between them. No supplement, modification or amendment of this Agreement shall be binding on the City unless it is set forth in a writing that is signed by the Mayor and approved by the City Council. Likewise, no waiver or any provision of this Agreement shall be valid unless set forth in writing that is signed by the Mayor and approved by the City Council.

Dated this 3rd day of July, 2018

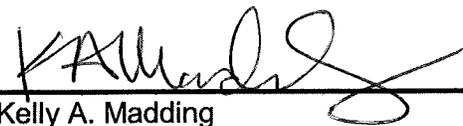


Melissa Huhtala
City Recorder



John Stromberg
Mayor

Accepted this 3rd day of July, 2018



Kelly A. Madding

Kelly Madding
City Administrator
2018-2019 Accomplishments & 2019-2020 Goals

2018-2019 Accomplishments

Typically, there are three main foci of a City Administrator's responsibilities:

- 1) Mayor and City Council
 - a. Responding in a timely manner to direction from the City Council
 - b. Establishing and maintaining a positive and trusting relationship
 - c. Ensuring that the Council is getting understandable, educated and professional recommendations from City staff
- 2) Internal operations of the organization
 - a. Leading operations in a way that complies with Council policies, demonstrates and promotes best practices, and is citizen focused
 - b. Planning for the future: financial, staffing, services and service delivery
 - c. Ensuring the Department Heads have the tools and training that they to efficiently and effectively carry out their jobs
- 3) The Community
 - a. Interacting with groups that are influenced/affected by City policy
 - b. Participating in and speaking to civic groups
 - c. Being a partner or facilitator to further Council goals and objectives

Here are a few highlights of my accomplishments in the above categories:

Mayor and City Council

- ❖ Council 2019-2021 Biennial Budget Goal Setting
- ❖ Initiated biweekly meetings with Council groups
- ❖ Engage Ashland program

Internal operations of the organization

- ❖ Analyzed organization and moved people into key roles to improve operations (Tom McBartlett & Adam Hanks)
- ❖ Held regular Dept. Head meetings and meetings with Dept. Heads one-on-one
- ❖ Developed a structure for Council Communications which ensures that the Council gets the packet earlier and all materials are reviewed by me
- ❖ Have developed a trusting relationship with the Parks Director

The Community

- ❖ 2018-2019 Winter Shelter – facilitated the Winter Shelter group, helped obtain \$150,000 in funding and assisted with the land use approval for the winter shelter at 2082 E. Main
- ❖ Joined Rotary
- ❖ Represent the City at the Ashland Coalition (leaders of OSF, SOU, School Dist., Chamber and Hospital) and Chamber of Commerce meetings

2019-2020 Goals

Mayor and City Council

- ❖ Complete a City Strategic Plan
- ❖ Provide staff support to the financial Ad Hoc committee and revenue group

Internal operations of the organization

- ❖ Institute an annual training for all management employees on personnel related laws, ethics, purchasing/contracting, etc.
- ❖ Develop a 6 year (3 biennium) financial plan for the City
- ❖ Recruit and fill key department positions - Community Development and Public Works

The Community

- ❖ Work with the Ashland Coalition on developing a community-wide program on tolerance and inclusion
- ❖ Work with community leadership on the Emergency Winter Shelter

CITY OF ASHLAND
Addendum to July 3, 2018 Employment Agreement

City Administrator

This Addendum to a July 3, 2018 Employment Agreement is made by and between the City of Ashland (“City”) and Kelly Madding (“Employee”) and shall be effective as of October ____, 2019.

RECITALS

- A. City and Employee are parties to a written July 3, 2018 Employment Agreement under which Employee is serving as City Administrator for the City of Ashland from July 30, 2018 until at least July 30, 2021.
- B. At City’s request, Employee also has been serving as interim Finance Director for the City since June 1, 2019.
- C. City and Employee agree it is fair for the salary paid to employee pursuant to Section 3 of the July 3, 2018 Employment Agreement to be increased by 5 percent beginning on the effective date of this Addendum and terminating when Employee’s ceases to serve as interim Finance Director.

AGREEMENTS

City and Employee agree as follows:

Section 1.

Employee’s salary as set forth in Section 3 of the July 3, 2018 Employment Agreement shall be increased by 5 percent from the effective date of this Addendum until Employee ceases to serve as interim Finance Director.

Section 2.

Employee’s performance goals as City Administrator for fiscal years 2020 and 2021 are set forth in Attachment A to this Addendum.

Section 3.

Except as modified by this Addendum, the July 3, 2018 Employment Agreement is ratified and affirmed by the parties.

_____, October ____, 2019
John Stromberg, Mayor

_____, October ____, 2019
Kelly Madding

Approved as to form

_____, October ____, 2019
David Lohman City Attorney