

**LANE TRANSIT DISTRICT**

**RESOLUTION TO APPOINT GENERAL MANAGER**

WHEREAS, Kenneth P. Hamm made application for the position of General Manager of Lane Transit District, together with 61 other applicants from across the United States; and

WHEREAS, Kenneth P. Hamm was recommended by the executive search consultant, by the Executive Search Committee of the Board of Directors, and finally by the full Board of Directors on January 23, 2000, as a qualified and accomplished management professional in public transit; and

WHEREAS, it was the finding of the Board of Directors that Kenneth P. Hamm has had a successful thirty-year career in progressively responsible positions in public transit, from coach operator to general manager; and

WHEREAS, the Board of Directors found that Kenneth P. Hamm's career record of accomplishment was notable and meritorious; and, finally,

WHEREAS, the Board of Directors received only favorable references and recommendations regarding the potential performance of Kenneth P. Hamm;

NOW, THEREFORE, BE IT RESOLVED that the Lane Transit District Board of Directors appoints Kenneth P. Hamm as General Manager for Lane Transit District. This appointment is made as set forth in the Letter of Agreement dated January 24, 2000, contained as Exhibit I and now incorporated as part of this resolution.

  
\_\_\_\_\_  
Board President's Signature

January 25, 2000  
\_\_\_\_\_  
Date

January 24, 2000

Mr. Kenneth P. Hamm  
5191 Vista Heights Place  
Cashmere, Washington 98815

RE: Letter of Agreement with Lane Transit District

Dear Ken:

On behalf of the Lane Transit District Board of Directors, I have been asked to extend this conditional offer of employment for you to serve as the next General Manager of the Lane Transit District. This Letter of Agreement will outline the terms and conditions of your employment. The offer contained in this Letter of Agreement is subject to approval and ratification by the Board of Directors of the District. The Board is scheduled to meet to consider this matter on Tuesday, January 25, 2000.

This Letter of Agreement shall continue in effect as the agreement of the parties concerning your employment until a formal Employment Agreement is completed and signed.

**A. General Duties**

The District shall employ you as its General Manager, to perform the functions and duties as specified in ORS 267.140. You shall have day-to-day operational control of District operations. The Board of Directors reserves to itself policy making authority and exclusive control for all matters, including those relating to fiscal policy, budget and finance matters, and economic aspects of employment and labor relations, to the fullest extent permitted by ORS 267.107 et. seq.

**B. Term of Employment**

Your employment shall be for a "rolling" three-year term to commence upon the date of initial employment specified in the resolution of the Board of Directors appointing you General Manager. The three-year term will be extended indefinitely for additional, subsequent one-year terms, unless the District notifies you in writing not less than sixty (60) days before the first anniversary of the commencement of a three-year term that it does not desire to extend the Employment Agreement beyond the expiration of that three-year term. You will be deemed to agree to each one-year extension unless you notify the District not less than sixty (60) days before the first anniversary of the commencement of a three-year term that you do not wish to extend the Employment Agreement beyond the expiration of that three-year term.

The Employment Agreement may be terminated by the Board of Directors at anytime, and you may be released from employment, in accordance with procedure for removal set forth in ORS 267.135, which you and we agree is exclusive. Notwithstanding any other term of the Employment Agreement or this Letter of Agreement, you waive all statutorily and constitutionally based due process and other procedural rights, including the requirements of ORS 267.135, in the event the Board terminates your employment for cause in reliance upon the written opinion of the District's attorney that cause exists. This Letter of Agreement or the Employment Agreement may be terminated in the sole discretion of the District for cause if you shall be guilty of fraud, dishonesty, misappropriation of funds, embezzlement, or other act or misconduct in the rendering of services on behalf of the District, or if you willfully and continuously fail or refuse to comply with the policies, standards and regulations of the District as are established periodically.

**C. Base Salary**

A starting salary of \$4,203.77 bi-weekly (\$110,000 annually) is established.

**D. Automobile Allowance**

You will receive a monthly automobile allowance of \$300 per month.

**E. Performance and Merit Consideration**

As General Manager, you will receive written performance assessments from the Board of Directors following completion of your initial six months of employment and following each anniversary of your employment commencement date. The timing of annual reviews shall occur as established by District policy.

**F. Consolidated Annual Leave (CAL) and Extended Illness Bank (EIB).**

Commencing the first day of your employment, you will be credited with 120 hours of Consolidated Annual Leave. You will accrue Consolidated Annual Leave and EIB according to the established policies of Lane Transit District for administrative employees. In the event of termination these leave accruals shall be paid according to current District policy.

**G. Benefits**

Lane Transit District will provide all other fringe benefits (including retirement) and insurance coverages in accordance with policies in effect for other administrative employees of the District.

**H. Relocation Allowance**

Lane Transit District agrees to a lump sum relocation allowance of \$15,000 (fifteen thousand dollars) payable to you within the first 30 days of your employment, and upon your request. The parties understand that this allowance is comprehensive and that no other provision for relocation is made except for this allowance. If you voluntarily resign you agree to repay this moving allowance according to the following schedule:

<u>Date Resignation is Accepted by Board</u>	<u>Reimbursement</u>
Within first six months	100%
More than 6 but within first 12 months	75%
More than 12 but within first 18 months	50%
More than 18 but within first 36 months	25%
After first 36 months	0%

It is understood that this moving allowance is provided to you in order to accomplish movement of your primary household within the first 12 months of your employment. Failure to do so could result in forfeiture and/or repayment of this allowance at the sole discretion of the District.

**I. Severance Pay**

The Board of Directors may terminate this agreement at any time. Termination by the Board of Directors without cause shall result in a six-month severance payment to you of salary and benefits, but not including retirement and leave accrual benefits. Such severance payment shall be due and payable at the standard pay periods for the six-month period and shall be in lieu of all other payments.

The parties agree that you shall not be entitled to payment of salary or benefits for the balance of a three-year term if this Agreement is terminated by either party for any reason prior to the expiration of the term.

**J. Relinquishment of Severance Pay and Benefits**

In the event that you are terminated for cause, then the Board of Directors and Lane Transit District shall have no obligation to pay the severance pay specified above.

**K. Notice of Resignation**

If you voluntarily resign as General Manager, you shall provide a minimum of sixty- (60) days written notice, in advance to the Board of Directors, unless the Board of Directors waives such notice, in writing. You shall not be entitled to the severance pay specified above in the event you voluntarily resign.

**L. Indemnification**

To the maximum extent permitted by law, Lane Transit District agrees to defend, indemnify and hold you harmless from and against any and all claims, demands, suits, actions, or proceedings of any kind or nature arising out of your good faith performance by of your duties and responsibilities as General Manager, provided your performance is not contrary to the established statutes, ordinances, resolutions, policies and reasonable standards of conduct adopted by the Board of Directors of Lane Transit District.

**M. Modification to the Agreement**

Any modification to the terms of this agreement, as set forth in this Letter of Agreement must have the concurrence of Kenneth P. Hamm and a majority of the Board of Director of Lane Transit District.

**General Provisions**

1. Oregon law and District ordinances, rules/regulations and policies established by Lane Transit District's Board of Directors shall govern this Agreement, unless otherwise specifically provided herein.
2. You agree to sign and return both the facsimile copy of this Agreement within 48 hours of receipt and the actual Employment Agreement within 48 hours of receipt of said document(s).
3. You agree that your employment is conditioned upon the satisfactory completion of a Drug Tolerance Screening Test and Employment Physical. Lane Transit District shall pay for such tests/examinations. **FAILURE TO TAKE AND PASS THE REQUIRED EXAMINATIONS WILL RENDER THIS OFFER OF EMPLOYMENT NULL AND VOID.**
4. You acknowledge that you are an "at-will" employee and may be terminated at the discretion of the Board of Directors of Lane Transit District for any non-discriminatory reason.
5. The parties agree to endeavor to make reasonable efforts to resolve any disputes or misunderstandings arising out of the interpretation of this Agreement through mutual discussion..
6. The general terms of this Agreement shall remain in force until replaced and superceded by a formal Employment Agreement between the parties.

Finally, if there are any questions or necessary modifications to this Letter of Agreement, please contact Dave Dickman, Human Resources Manager as soon as possible. Please sign and return and fax back a copy of this agreement and forward an originally signed copy within the next 48 hours. Kenneth, we wish you and Cindi a warm welcome to our communities. We know that you will find your association with the District and our community rewarding. If there is anything we can do to facilitate your arrival do not hesitate to contact us.

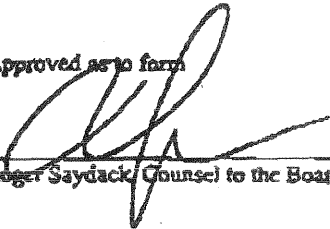
On behalf of the Board of Directors of Lane Transit District,

Sincerely,



Hillary Wylie  
President

Approved as to form

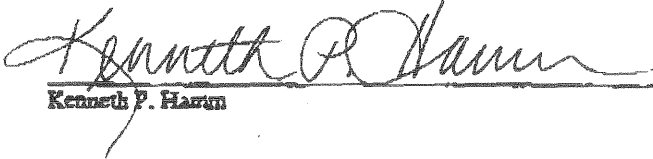


Roger Saydack, Counsel to the Board of Directors

Date

1/24/00

Agreement Acceptance

  
Kenneth P. Hamm

Date

1/25/00