



RESOLUTION 2024-061

APPROVING AN EMPLOYMENT AGREEMENT WITH CRAIG SHELDON TO SERVE AS CITY MANAGER

WHEREAS, Craig Sheldon has successfully served as City Manager Pro Tem since being appointed on November 28, 2023; and

WHEREAS, City Council is pleased with Sheldon's job performance and does not require the position to be posted externally; and

WHEREAS, the Interim City Attorney has prepared a proposed Employment Agreement to hire Sheldon as the next City Manager for the City of Sherwood, which requires Council approval.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The Mayor is hereby authorized to sign an Employment Agreement with Craig Sheldon in a form substantially similar to the attached Exhibit 1.

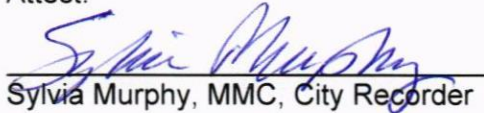
Section 2. - This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 6th of August 2024.



Tim Rosener, Mayor

Attest:



Sylvia Murphy, MMC, City Recorder

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into effective on the date last set forth below by and between the City of Sherwood, Oregon ("the City") and Craig Sheldon ("Manager").

RECITALS

WHEREAS, the City desires to employ Manager as the City Manager of the City of Sherwood and Manager is willing to accept said appointment; and

WHEREAS, the City and Manager desire a written agreement to establish and set the terms and conditions of the employment of Manager as the City Manager;

NOW THEREFORE, in consideration of the mutual covenants contained herein as well as for the other consideration described, the City and Manager mutually agree as follows:

1. DUTIES

The City agrees to employ Manager as City Manager, to perform the functions and duties of that position as described in the Sherwood City Charter, Sherwood Municipal Code, and state law, and as the City Council ("Council") shall, from time to time, assign to the City Manager consistent with the professional role and responsibility of the City Manager. Manager shall be guided by and uphold the principles of the ICMA Code of Ethics, attached hereto as Exhibit A, in the performance of such duties. Manager agrees that, during the term of this Agreement, he will remain the exclusive employee of the City.

2. TERM

The term of this Agreement shall commence on August 6, 2024 (the "Effective Date") and, unless earlier terminated consistent with the terms hereof, continue for a period of five (5) years until August 6, 2029.

3. COMPENSATION

A. Salary

Beginning on the Effective Date, the City agrees to pay Manager one-hundred ninety-eight thousand dollars (\$198,000) as a yearly base salary, to be paid in installments at the same interval as the City pays its other employees who are not subject to a collective bargaining agreement ("Unrepresented Employees"). Manager shall be entitled to receive a Cost-of-Living Adjustment (COLA) plus an additional 2% to Manager's salary on the same schedule as may be provided to the City's Unrepresented Employees. Manager's salary will be reviewed by Council annually, and upon its election may increase Manager's salary by an addition 0%-5%.

Council and Manager shall periodically define goals and performance objectives that they determine necessary for the proper operation of the City and attainment of Council's policy objectives. Council and Manager shall work together to establish priorities among those various goals and objectives. The goals will be set to generally be attainable within the time limitations specified and within the annual operating and capital budgets and appropriations provided for.

B. Retirement

The City agrees to contribute into the Oregon Public Employees Retirement System on Manager's behalf an amount equal to the same percentage of salary contributed for the City's Unrepresented Employees.

The City will contribute 3% of Manager's base salary to Manager's deferred compensation plan (457 plan) at the same periodic schedule as the City's Unrepresented Employees.

C. Cellular Phone

The City shall provide a cellular phone to Manager for use for City business, consistent with applicable City policies.

D. Driving Allowance

Manager is entitled to a monthly motor vehicle driving allowance equal to the current federal rate as of January 1st of each year, multiplied by 1000 miles. Manager will also be paid the federal rate for travel that is more than 50 miles from Sherwood City Hall.

Manager shall maintain a vehicle during the term of this Agreement, which shall be available for Manager's exclusive and unrestricted use in the performance of his duties hereunder. Manager shall be solely responsible for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and replacement of said vehicle.

E. Taxes

All compensation described in this Agreement shall be subject to withholding of income taxes and shall be subject to employment taxes required with respect to compensation paid by the City to an employee.

F. Paid Time Off

Upon execution of this agreement, any existing paid time off (PTO) balances of Manager will be transferred and applied to Manager's PTO balance. Manager may immediately cash out Manager's unused PTO balance to 80 hours. Manager shall receive 216 hours of PTO annually, accrued in equal installments during each pay period. Manager is permitted to carry over a maximum of 80 hours of unused PTO at the end of the calendar year into the subsequent calendar year. Additionally, Manager has the option to receive a cash payout for any PTO balance exceeding 80 hours during the last month of the calendar year.

G. Administrative Leave

Manager is entitled to 40 hours of Administrative Leave each calendar year. Administrative Leave is not considered PTO and may not be cashed out. Manager's current and unused Administrative Leave will remain available.

H. Annual Salary Review

Council shall conduct an annual review of Manager's salary. The council shall collaborate with Manager to establish the structure of the review process and the metrics to be utilized for conducting the review.

I. Sick Leave

Manager shall be entitled to the same sick leave benefits as Unrepresented Employees. Manager's current and unused Sick Leave will remain available.

J. Holidays

Manager shall be subject to the policies regarding City observed holidays that are applicable to Unrepresented Employees.

K. Insurance and Benefits

- i. Health Insurance. If Manager elects to participate in the City's health insurance programs, the

City agrees to provide coverage and make required premium payments for Manager and his dependents for comprehensive medical, vision and dental coverage consistent with the City's policy for the City's Unrepresented Employees.

- ii. Life Insurance. The City shall pay, on behalf of Manager, the premium cost for a term life insurance policy in the amount of three hundred thousand dollars (\$300,000.00).
- iii. Other Benefits. Except as otherwise provided in this Agreement, Manager shall receive all other employee benefits provided by the City to Unrepresented Employees, including Sabbatical.

4. PROFESSIONAL DUES AND DEVELOPMENT

To the extent funds are available and budgeted by Council, Manager may participate, as he deems appropriate, in professional associations, short courses, seminars, conferences, and other similar professional development opportunities. Expenses will be reimbursed consistent with the City's policy applicable to the City's Unrepresented Employees. The City agrees to budget and to pay for the professional dues of the City Manager for membership in ICMA and Oregon City/County Management Association (OCCMA) as well as Manager's water, sewer and Commercial Driver License (CDL) certifications. Manager may continue to be on the Board of Directors for Oregon Association of Water Utilities (OAWU), which may entail attending monthly or bimonthly meetings, national training every other year, and lobbying in Washington DC every other year.

5. TERMINATION

Manager is an at-will employee and shall serve at the pleasure of the Council. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Council to terminate the services of Manager at any time, for any reason whatsoever, with or without cause, prior to expiration of this Agreement, subject only to the provisions set forth in this Section. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Manager to resign at any time from his position prior to expiration of this Agreement, subject only to the provisions set forth in this Section.

A. Termination for Cause

If Manager is terminated prior to the expiration of this Agreement for cause, the City shall have no obligation with respect to the severance pay described in this Section. For the purposes of this Agreement, "cause" is defined to include any of the following:

- i. Manager fails or refuses to comply with the laws and written policies and regulations of the City that are now in existence or are from time to time established.
- ii. Manager fails to perform his duties as City Manager or abandons his position as City Manager.
- iii. The City has substantial evidence to prove that Manager has committed fraud, breach of fiduciary responsibilities, dishonesty, or gross negligence; misappropriated City funds, goods, or services to either his own or some other private third party's benefit; or committed other acts of misconduct which the Council believes, in its sole discretion, is or would be detrimental to the City or its interests.

B. Termination Without Cause

Termination without cause, as used in this Section, means Manager's discharge or dismissal by the City, for any reason other than the reasons specified in Subsection 5(A) above, and shall also include discharge or dismissal by the City during the six (6) month period immediately following the official seating of one or more newly elected Council members for reasons other than those set out above in Subsection 5(A) of this Section, notwithstanding Manager's willingness and ability to perform his duties.

If the City terminates Manager without cause prior to the expiration of this Agreement, and Manager is then willing and able to perform all the duties of the City Manager under this Agreement, Manager shall be reassigned to a position of equivalent responsibility, salary and benefits to that of the Public Works Director for the remaining duration of the contract. If such a position does not exist at that time, one will be created for the duration of this contract. If the parties mutually agree this is not in the best interest of the City and Manager, a severance package will be negotiated.

C. Voluntary Resignation

In the event Manager voluntarily resigns prior to the expiration of this Agreement, Manager shall give the City written notice thereof a minimum of forty-five (45) days in advance, unless the parties mutually agree otherwise. In the event of Manager's voluntary resignation, Manager shall not be entitled to severance pay as provided herein.

6. GENERAL PROVISIONS

A. Professional Liability

The City agrees to defend, hold harmless, and indemnify Manager from all demands, claims, suits, actions, and legal proceedings brought against Manager in his individual capacity or in his official capacity as agent and employee of the City, consistent with the terms of the Oregon Tort Claims Act (ORS 30.260 to 30.300).

B. Bonding

The City shall bear the full cost of any fidelity or other bond required of Manager under any law or City ordinance.

C. Amendments

No amendment to this Agreement shall be valid unless in writing and signed by Manager and an authorized representative of the City after approval by the Council.

D. Applicable Law

This Agreement is construed under the laws of the State of Oregon, the City of Sherwood Charter, and the Sherwood Municipal Code. Venue shall be in Washington County Circuit Court or, only if there is no state court jurisdiction, U.S. District Court for the District of Oregon.

E. Counterparts

This Agreement may be executed in duplicate original counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

F. Compliance with Laws

Manager shall perform his duties in accordance with all applicable laws, ordinances, rules, and regulations applicable to his position.

G. Entire Agreement

This Agreement constitutes the entire Agreement between the parties on the subject matter hereof and supersedes all prior written or oral discussions or agreements regarding the same subject. The provisions of this Agreement are solely for the benefit of the parties and not for the benefit of any other person, persons, or legal entities.

H. Inducements and Representations

Manager acknowledges that he has not been induced to enter into this Agreement by any representations or statements, oral or written, not expressly contained herein or guarantees, expressed or implied, other than the expressed representations, warranties, and guarantees contained in this Agreement.

I. Assignment

This Agreement may not be assigned by either the City or Manager.

J. Representation

The City has been represented by its City Attorney in the preparation of this Agreement. Manager has the right to independent counsel at his own expense regarding the preparation of this Agreement.

K. Arbitration

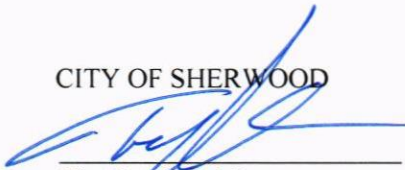
In the event the parties have a dispute concerning the terms of this Agreement, the terms and conditions of the employment relationship, or the violation of any federal, state, or local law relating to the employment relationship and they have not otherwise resolved the matter through any attempted mediation, conciliation, or other voluntary dispute resolution process they choose to use prior to the initiation of arbitration, then the dispute shall be resolved by binding arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. Each party shall bear equally the expense of the arbitrator and all other expenses of conducting the arbitration. Each party shall bear its own expenses for witnesses, depositions, and attorneys.

L. Severability

It is understood and agreed by the parties that if any part, term, portion, 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 portion of this 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, portion, or provision.

IN WITNESS WHEREOF, the CITY OF SHERWOOD, OREGON, has caused this Agreement to be signed and executed by its Mayor, Tim Rosener, and Craig Sheldon has signed and executed this Agreement, on the date noted below each signature.

CITY OF SHERWOOD

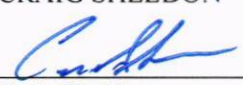


Tim Rosener, Mayor

6/8/24

Date

CRAIG SHELDON



Craig Sheldon

8/6/24

Date

Exhibit A to Employment Agreement

ICMA CODE OF ETHICS

The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

1. We believe professional management is essential to efficient and democratic local government by elected officials.
2. Affirm the dignity and worth of local government services and maintain a deep sense of social responsibility as a trusted public servant.
3. Demonstrate by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.
4. Serve the best interests of the people.
5. Submit policy proposals to elected officials; provide them with facts, and technical and professional advice about policy options; and collaborate with them in setting goals for the community and organization.
6. Recognize that elected representatives are accountable to their community for the decisions they make; members are responsible for implementing those decisions.
7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.
8. Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.
9. Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.
10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.
11. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions pertaining to appointments, pay adjustments, promotions, and discipline.
12. Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

Adopted by the ICMA Executive Board in 1924, and most recently revised by the membership in June 2020.

ICMA