



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Ratification of Employment Agreement Entered into Between City Manager Blair King and Community Development Director Randall Hatch

MEETING DATE: September 7, 2005

PREPARED BY: Blair King, City Manager

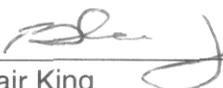
RECOMMENDED ACTION: Adopt Resolution Ratifying the Terms of the Employment Agreement entered into between City Manager Blair King and Community Development Director Randall Hatch.

BACKGROUND INFORMATION: Lodi Municipal Code Section 2.12.060 vests with the City Manager the power to select subordinate staff. Based upon an open and competitive selection process, the City Manager selected Mr. Randall Hatch to serve as the City's Community Development Director.

The City Manager wishes to provide Mr. Hatch certain terms and conditions related to employment that extend beyond the Manager's authority and therefore require ratification by the City Council. Specifically, the Manager, via an employment agreement, wishes to provide Mr. Hatch a severance payment equal to six months of salary if Mr. Hatch should be terminated without cause.

The proposed employment agreement is a two-year "term" agreement. It is noted that several other members, but not all, of the City's Executive Management Team, have employment agreements with severance provisions. It is unclear whether the previous agreements have been ratified by the City Council.

FISCAL IMPACT: The proposed annual salary is \$121,800. This falls within the approved range for this position. The Agreement allows for an increase after 12 months and a satisfactory performance evaluation of up to five percent. If the maximum is granted, a slight range adjustment would be required prior to September 2006.



Blair King
City Manager

APPROVED: 

Blair King, City Manager

RESOLUTION NO. 2005-186

A RESOLUTION OF THE LODI CITY COUNCIL
RATIFYING THE EMPLOYMENT AGREEMENT
ENTERED INTO BETWEEN CITY MANAGER
AND COMMUNITY DEVELOPMENT DIRECTOR

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby ratifies the Employment Agreement entered into between City Manager Blair King and Community Development Director Randall Hatch, as shown on Exhibit A attached hereto.

Dated: September 7, 2005

=====

I hereby certify that Resolution No. 2005-186 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 7, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, and
Mayor Beckman

NOES: COUNCIL MEMBERS – Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

EMPLOYMENT AGREEMENT

**Executive Management
Exempt Service**

Community Development Director

THIS AGREEMENT entered into on August 25, 2005 by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and Randall Hatch, an individual (hereinafter referred to as "Employee").

WHEREAS, City desires to employ the services of Employee as Community Development Director; and

WHEREAS, Employee desires to serve as Community Development Director for the City beginning September 26, 2005; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Community Development Director; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as Community Development Director is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

1. **Employment:** City agrees to employ Employee as Community Development Director, in accordance with the following provisions:

(a) Employee shall serve as Community Development Director, and shall be responsible for managing and directing the operations of the Community Development Department in accordance with an agreed upon performance plan.

(b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his

employment as Community Development Director, and shall not engage in any other employment except as may be specifically approved in writing in advance by the City Manager.

2. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain membership in professional organizations related to Community Development administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

3. **Term:** The term of the Agreement shall be for a period of two (2) years, commencing September 26, 2005, until terminated by either party in accordance with the provisions set forth in Paragraph 4, or until terminated by the event of the death or permanent disability of Employee. The Agreement may be renewed, under terms mutually agreed by the parties, no later than eighteen (18) months after commencement of Employee's employment with City.

4. **Resignation or Termination:**

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The parties recognize and affirm that Employee may be terminated by the City Manager with cause, which shall mean gross insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a joint public statement to be made by the City Manager. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable.

5. **Severance Pay:** If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of Community Development Director, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this

Paragraph 5. The severance payment will be paid at the same time as other employees of the City are paid and subject to customary withholdings. In the event, Employee retains new employment during the six month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City. Payment under this paragraph will release City from any further obligations under this Agreement, or any other transaction between the parties

6. **Employment as Department Head is Sole Employment with City:** Employee further represents and acknowledges that his employment as Community Development Director is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City, or to any employment in the classified service.

7. **Salary:**

(a) City agrees to pay Employee \$121,800 in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding.

(a) Thereafter, a salary increase of up to five percent (5%) may be granted by the City Manager after twelve (12) months of employment and a satisfactory performance evaluation.

8. **Benefits:** The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits dated 1998 and as they may be amended, increased or decreased, except as modified herein. These are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, long term disability insurance and life insurance. Employee's vacation leave shall be calculated as if Employee was in his sixth year of employment (i.e., Employee shall accrue fifteen days of vacation per year increasing from there as provided in the Executive Management Statement of Benefits.) Moreover, Employee shall be granted 12 days of sick leave and 5 days of vacation leave immediately upon the execution of this Agreement. Any unused balance of sick leave and vacation leave resulting from the initial allocation at the end of Employee's first year of employment will be forfeited and removed from Employee's sick leave and vacation leave balances. Employee will also earn and accumulate sick leave and vacation as provided in the Executive Management Statement of Benefits.

9. **Performance Evaluation:** The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

10. **Assignment:** Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

11. Authority to Work in the United States: Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with §274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

12. Cell Phone/Vehicle: Employee will be provided with a Cell Phone for employment related use at the City's expense on terms consistent with other Executive Managers. Employee will also be provided with access to the Community Development Pool Car for work related use on an as available basis.

13. Notices: All notices required herein shall be sent first class mail to the parties as follows:

To CITY:	City of Lodi P. O. Box 3006 Lodi, CA 95241-1910
To EMPLOYEE:	Randall Hatch 7505 Oakcreek Drive Stockton, CA 95207

Notice shall be deemed effectively served upon deposit in the United States mail.

14. Entire Agreement: This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and specifically approved by the City Council in open session.

15. Severability: If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

EMPLOYEE

By: Randall Hatch
Randall Hatch

CITY OF LODI, a municipal corporation

By: Blair King
Blair King, City Manager

ATTEST:

By: Susan Blackston
Susan Blackston, City Clerk

APPROVED AS TO FORM:

Steve Schwabauer
Steve Schwabauer, City Attorney