

CITY MANAGER
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into effective February 12, 2007, by and between the City of Ocean Shores, a Washington municipal corporation (“City”) and Richard W. McEachin Sr. (“City Manager”) for professional services to be provided by a City Manager.

- A. WHEREAS, the City desires to employ the services of Richard W. McEachin Sr. as City Manager for the City of Ocean Shores; and
- B. WHEREAS, it is the desire of the City Council to provide certain benefits, establish certain conditions of employment and to set working conditions for the position of City Manager; and
- C. WHEREAS, Richard W. McEachin has been employed as the Chief of Police of the City of Ocean Shores, the City requested that he serve as Interim City Manager after the departure of the previous City Manager, and
- D. WHEREAS, Richard W. McEachin, as Chief of Police, had certain employment rights under the City of Ocean Shores Exempt Employee Agreement, including restrictions on termination of employment; and
- E. WHEREAS, Richard W. McEachin, as City Manager, would be subject to the provisions of RCW 35A.13.130 that allows removal upon a majority vote of the city council; and
- F. WHEREAS, it is the desire of the City Council to secure and retain the services of the City Manager to remain in such employment, to make possible full work productivity by assuring the City Manager’s morale and peace of mind with respect to future security and to provide a just means for terminating City Manager services at such time as the City Manager may be unable fully to discharge the duties or when the City may desire to otherwise terminate employment and providing termination and severance payment ; and

G. WHEREAS, Richard W. McEachin desires to accept employment as City Manager of the City effective the day and date set forth above.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Agreement to Employ: The City hereby agrees to employ Richard W. McEachin Sr. as City Manager of the City to perform the functions and duties specified in Chapter 35A.13 RCW, the Ocean Shores Municipal Code Chapter 2.04 and to perform such other legally permissible and proper duties and functions as the City Council may assign from time to time.
2. Term:
 - A. Resignation. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Manager to resign at any time, after sixty (60) days written notice to the City Council, unless an alternative notice is agreed to between the City Council and City Manager.
 - B. Effective Date. The effective date of Richard W. McEachin Sr. appointment as City Manager is as set forth above. In accordance with the provisions of Chapter 35A.13 RCW the City Manager is appointed by the Ocean Shores City Council for an indefinite term, subject to the severance provisions set forth in Section 8 of this Agreement.
3. Salary:
 - A. Base salary. The City Manager's salary shall be Eighty Three Hundred Dollars (\$8300.00) per month.
 - B. Performance Payment: In addition to the City Manager's salary, the City Manager may receive, at the discretion of the City Council, an additional annual lump sum performance payment not to exceed Five Thousand and no/100 Dollars (\$5,000), if he achieves his performance goals. The City Council of Ocean Shores will facilitate a session within sixty (60) days of the City Manager's appointment in order to establish mutual performance criteria and set the initial goals for performance during the first year of service. Thereafter, the City Council and the City Manager shall meet during the first quarter of each year to set the City Manager's annual performance criteria and goals. The City Council will review, revise and

approve the City Manager's goals. During the City Manager's annual performance review, described in section 5 hereof, the City Council and City Manager will meet to discuss goal achievement and review documentation utilizing the attached City Manager Evaluation form. The City Council will determine what percentage, if any, of the performance payment will be made to the City Manager and such payment will be made in the January of the following year. If the City Manager leaves employment with the City for any reason other than termination for "just cause," as defined in Section 8 herein, the City Manager will be eligible to receive a prorated performance award calculated on the percentage of goals achieved and the number of months of participation.

- C. Salary Adjustment. The City shall not reduce the City Manager's salary or other financial benefits (absent resignation or termination) in a percentage greater than applicable for all City exempt employees.
4. Benefits.
- A. In addition to the salary described in Section 3 of this Agreement, the City Manager shall receive the same benefits as all other City exempt employees of the City of Ocean Shores including, but not limited to, medical and vision plans, paid holidays, personal leave days, vacation, sick leave, compensatory time, dental, contributions to the applicable Public Employment Retirement System including the City Manager's portion, reimbursement for official City related expenses, and annual cost of living increases.
 - B. The City shall also maintain a term life insurance policy in the amount of \$100,000 during the period of employment.
5. Performance and Salary Review: A performance review shall be made by the City Council of the City Manager's performance on an annual basis; provided, however, that the first performance review shall occur six (6) months from the commencement date of this Agreement. The City Council will facilitate a meeting of the City Council and the City Manager at the initial six (6) month review via an executive session of a regular City Council Meeting, utilizing the attached evaluation form. It is agreed that the City Manager's base salary and/or benefits

may be reviewed for purposes of possible adjustment periodically, as determined by the City Council, any adjustment of the City Manager's salary and or benefits shall be done in an open public meeting.

6. Residency: The City Manager shall reside within the City and shall maintain a city cell phone and e-mail address available to the City Council members and City Staff.

7. Car Allowance: The City shall provide the City Manager with a vehicle.

8. Termination and Severance Pay:

A. Severance Pay. If, during the first thirty-six (36) months of this Agreement, the City Manager is terminated by the City Council for any reason other than "just cause" as defined in Section 8(B) herein, the City agrees to pay the City Manager a lump sum cash payment equal to the total of ^{mco}Twelve (12) ^{raw}months salary and benefits (except cost of medical/vision/dental insurance plan); in addition, the City shall continue providing medical/vision/dental insurance for a period of Twelve (12) months after the termination. In consideration of such severance payment, the City Manager agrees that he will cooperate in the transition to a new administration.

B. Just Cause. The term "just cause" shall include, without limitation, any act of embezzlement, theft, convictions of any felony or crime involving moral turpitude, or a continued material breach of the City Manager's duties.

9. Notices. Notices required to be delivered hereunder shall be sent as follows:

To the City: Mayor
City of Ocean Shores
PO Box 909
Ocean Shores, WA 98569


To the City Manager: Richard W. McEachin Sr
City of Ocean Shores
PO Box 909
Ocean Shores, WA 98569

Notices may be delivered either in person or at any location where the person receiving the notice may be found, or said notice may be sent by mail, registered or certified, postage prepaid, to the addresses above.

10. The City Manager acknowledges that he has the right to consult independent legal counsel; he has elected to waive such right and acknowledges that in signing this Agreement he is not acting under duress, fraud or undue influence of any person(s). The City Manager acknowledges that the City Attorney, Art Blauvelt of Ingram, Zelasko & Goodwin, LLP, has not and cannot provide legal advice to the City Manager on the issues in this Agreement.
11. Entire Agreement. The text herein constitutes the entire agreement between the parties and supersedes any other agreements or understandings, oral or written, which may exist. This Agreement may only be amended when reduced to writing and signed by both parties.

IN WITNESS WHEREOF, the City Council of the City of Ocean Shores, by a majority vote on February 12, 2007 has authorized this Agreement to be signed and executed on its behalf by its Mayor, and attested by its City Clerk.

CITY OF OCEAN SHORES



Michael Patrick, Mayor

ATTEST:



Diane Foss, City Clerk

CITY MANAGER



Richard W. McEachin Sr.

Comparison of Costs

	Purposed	Hoquiam (8K)	Kelso (10K)	Shelton (8K)	Yelm (5K)
Salary	\$8,300	\$8,160	\$7,559	\$8,860	\$8,166
Medical **	\$831	\$1,209	\$1,197	\$1,178	\$1,101
Vision	Included	\$19	\$15	\$19	\$22
Retire	\$588	\$302	\$280	\$319	\$294
Education	\$0	\$0	\$0	\$0	\$0
Def Comp	0	\$400	\$385	\$400	\$385
Car	\$300 *	\$350	\$400	\$350	\$300
Acting	0	\$0	\$0	\$0	\$0
Total Mon	\$9,719	\$10,440	\$9,836	\$11,126	\$10,268
Multipl x 12 months	12 month	12 months	12 months	12 months	12 months
Total Yr	\$116,628	\$125,280	\$118,032	\$133,512	\$123,216

* Goes Away in 1 year

** Includes Dental

CITY MANAGER
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into effective on the date of mutual execution set forth below, by and between the City of Ocean Shores, a Washington municipal corporation ("City") and Dennis C. Morrisette. ("City Manager") for professional services to be provided by a City Manager.

WHEREAS, the City desires to employ the services of Dennis C. Morrisette as City Manager for the City of Ocean Shores; and

WHEREAS, it is the desire of the City Council to provide certain benefits, establish certain conditions of employment, and to set working conditions for the position of City Manager; and

WHEREAS, Dennis C. Morrisette has been advised and acknowledges that the position of City Manager will cease to exist in the City of Ocean Shores upon the election, certification and assumption of office by the Mayor and two new city council members, which is anticipated to occur by early to mid-June, 2008 following elections on May 10, 2008. Dennis C. Morrisette accepts employment with the City of Ocean Shores understanding that his position as City Manager will end at that time, and

WHEREAS, Dennis C. Morrisette, as City Manager, will be subject to the provisions of RCW 35A.13.130 that allows removal upon a majority vote of the City Council upon thirty (30) days written notice; and

WHEREAS, Dennis C. Morrisette desires to accept employment as City Manager of the City effective February 7, 2008.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Agreement to Employ: The City hereby agrees to employ Dennis C. Morrisette as City Manager of the City to perform the functions and duties specified in Chapter 35A.13 RCW, the Ocean Shores Municipal Code Chapter 2.04 and to perform such other legally permissible and proper duties and functions as the City Council may assign from time to time.

2. Term:

- A. Resignation. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Manager to resign at any time, after fourteen (14) days written notice to the City Council, unless an alternative notice is agreed to between the City Council and City Manager.
- B. Effective Date. The effective date of Dennis C. Morrisette's appointment as City Manager shall be February 7, 2008. In accordance with the provisions of Chapter 35A.13 RCW, the City Manager is appointed by the Ocean Shores City Council for an indefinite term; however, both parties acknowledge that in early or mid-June of 2008, the City form of government will change from Manager-Council (RCW 35A.13) to a Council-Mayor (RCW 35A.12) form of government, thereby eliminating the position of City Manager in Ocean Shores.

3. Salary:

- A. Base salary. The City Manager's salary shall be SIX THOUSAND SIX HUNDRED SIXTY-SEVEN AND NO/100 DOLLARS (\$6,667.00) per calendar month, said salary to be paid as follows:
1. Prorated for February 2008 from February 7, 2008;
 2. Payment in full for the months March, April, and May, of 2008;
 3. If the City Manager's employment continues into June of 2008, then his salary shall be pro-rated;
 4. In the event of termination of employment, either voluntarily or involuntarily, then the salary shall cease on the last day of employment.
- B. Completion Payment: In addition to the City Manager's salary, the City Manager shall receive an additional lump sum completion payment of TWO THOUSAND AND NO/100 DOLLARS

(\$2,000), if he stays employed by the City as City Manager until the actual date of transition from Manager-Council to Council-Mayor form of government ("Transition Date") in Ocean Shores.

C. Automobile Allowance. The City Manager shall receive a monthly auto allowance of \$350 per month for use of an automobile to fulfill the responsibilities of City Manager, as follows:

1. Prorated for February 2008 from February 7, 2008;
2. Payment in full for the months March, April, and May, of 2008;
3. If the City Manager's employment continues into June of 2008, then his automobile allowance shall be pro-rated;
4. In the event of termination of employment, either voluntarily or involuntarily, then the automobile allowance shall cease on the last day of employment.

4. Benefits.

A. In addition to the salary described in Section 3 of this Agreement, the City Manager shall receive the following benefits:

1. A total of ten (10) days personal leave between the date of employment and the Transition Date, unused personal leave shall be forfeited at the termination of employment.
2. Reimbursement for official City related expenses.

B. Both parties anticipate that employment benefits shall not include contributions to any retirement system. In the event that the Department of Retirement Systems or any other agency with jurisdiction shall determine contributions are required, then the City shall make such contributions, promptly.

C. Both parties anticipate that employment benefits shall not include medical, dental and vision plans. In the event that the insurer(s), the state Auditor or any other agency/court with jurisdiction shall determine that payment of such premiums are required, then the City shall make those payments, promptly.

5. Residency: The City Manager shall not be required to reside within the City; however, he shall maintain a city cell phone and an e-mail address available to the City Council members and City Staff.

6. Notices. Notices required to be delivered hereunder shall be sent as follows:

To the City: Mayor
City of Ocean Shores
PO Box 909
Ocean Shores, WA 98569

To the City Manager: Dennis C. Morrisette
219 West 9th Street
Aberdeen, WA 98520

Notices may be delivered either in person or at any location where the person receiving the notice may be found, or said notice may be sent by mail, registered or certified, postage prepaid, to the addresses above.

7. Acknowledgment. The City Manager acknowledges that he has the right to consult independent legal counsel. He has elected to waive such right and acknowledges that in signing this Agreement he is not acting under duress, fraud or undue influence of any person(s). The City Manager acknowledges that the City Attorney, Art Blauvelt of Ingram, Zelasko & Goodwin, LLP, has not and cannot provide legal advice to the City Manager on the issues in this Agreement.

8. Entire Agreement. The text herein constitutes the entire agreement between the parties and supersedes any other agreements or understandings, oral or written, which may exist. This Agreement may only be amended when reduced to writing and signed by both parties.

IN WITNESS WHEREOF, the City Council of the City of Ocean Shores, by a majority vote on February 4, 2008, passed a Resolution authorizing the employment of Dennis C. Morrisette as City Manager, effective as of February 7, 2008. This Agreement is signed and executed on behalf of the City of Ocean Shores by its Mayor, and attested by its City Clerk.


Dated: February 11, 2008

CITY OF OCEAN SHORES



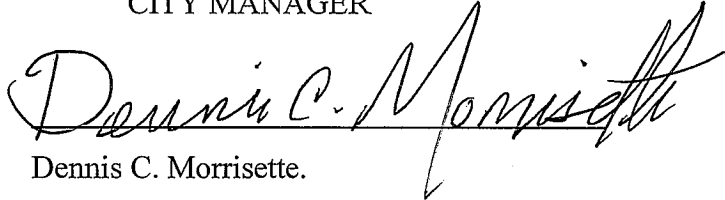
David M. Creighton, Mayor

ATTEST:



Diane J. Foss, City Clerk

CITY MANAGER



Dennis C. Morrisette.