

**AMENDMENT NO. 2 TO
OLYMPIA CITY MANAGER EMPLOYMENT AGREEMENT**

THIS AMENDMENT is made and entered into this 17th day of December 2013, by and between the City of Olympia, a Washington municipal corporation (“City”), and Steven R. Hall (“City Manager”).

Recitals

1. On September 23, 2003, the City and the City Manager entered into an employment agreement (“the Agreement”).

2. Through Amendment No. 1 dated March 31, 2009, the City and the City Manager amended the Agreement to modify the compensation.

3. Section V, Performance Evaluation and Compensation Review, of the Agreement states that the City Council shall conduct a mid-year and year-end evaluation of the City Manager’s performance.

4. Subsection V(B), Compensation Review, of the Agreement states that at the conclusion of the year-end evaluation, the Council may, at its discretion, review and adjust the City Manager’s compensation.

5. The City Council conducted the year-end performance evaluation for the City Manager on December 3, 2013.

6. The City Manager has requested a cost of living adjustment beginning January 1, 2014.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Exhibit B, City Manager Compensation, of the Agreement is hereby amended to read as follows:**EXHIBIT B**

CITY MANAGER COMPENSATION

1. Base Salary: ~~\$148,796.46~~ \$153,260.35 per year.

2. Performance Payment. In addition to the City Manager’s base salary, the City Manager may receive, at the discretion of the City Council, an additional annual lump sum performance payment if he achieves the performance goals and separately adopted

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performance criteria set according to Section V.A above. The City Council may determine, in its sole discretion, what percentage (if any) of the performance payment will be made to the City Manager and such payment will be made in February 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 VI.B.1 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. Any performance payment made under this paragraph is a one-time addition to the City Manager’s base salary, and shall not become part of the base salary.

3. Sick Leave: 12 days per year, consistent with the City’s administrative guidelines governing use of sick leave.

4. Vacation: Vacation shall accrue at the same rate as for other unrepresented employees with the same tenure, with the option for the City Manager to cash out up to 5 days per year on the condition that the City Manager has used at least 10 days of vacation in the year in which cash out is requested. The City Manager may accrue no more than 480 hours of unused vacation at any time.

5. Holidays: 11 days per year, according to the holiday schedule adopted by the City for other unrepresented City employees.

6. Medical, dental and vision insurance: The City shall pay the costs of medical, dental and vision insurance for the City Manager and his dependents, at the same rates available to other unrepresented City employees.

7. Long-term disability insurance. The City shall pay the costs of long-term disability insurance for the City Manager, consistent with the rates and terms of long-term disability insurance available to other unrepresented City employees.

8. Life insurance. The City shall pay the cost of premiums for term life insurance for the City Manager, with a value of the City Manager’s then-applicable annual base salary, contingent upon a successful medical exam if required by the insurance company.

9. Retirement benefits. The City shall contribute on the City Manager’s behalf to the Public Employees Retirement System and Social Security at the same rate the City contributes on behalf of other unrepresented City employees.

10. Deferred Compensation. On behalf of the City Manager, the City shall contribute three percent (3%) of the City Manager’s monthly base salary into the City Manager’s ICMA Deferred Compensation Account. In addition, the City shall also match on a monthly basis the City Manager’s own contributions into his ICMA Deferred Compensation Account, in an amount up to 3% of the City Manager’s base salary.

11. Bicycle allowance. Up to \$250 per calendar year for the actual cost of equipment, maintenance, clothing, and/or accessories for bicycle commuting.

2. All remaining provisions of the *Olympia City Manager Employment Agreement* dated September 23, 2003; and Amendment No. 1 dated March 31, 2009; and not previously or here amended or supplemented, shall remain as written in said Agreement, and shall continue in full force and effect.

DATED the day and year set forth above.

CITY OF OLYMPIA

Stephen H. Buxbaum, Mayor

ATTEST:

Debbie Krumpols, City Clerk

CITY MANAGER

Steven R. Hall

APPROVED AS TO FORM:



Tom Morrill, City Attorney