

**ADDENDUM TO EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF LAFAYETTE AND DIANE J. RINKS
DATED DECEMBER 9, 2004**

Section 4A of the Employment Agreement between the City of Lafayette and Diane J. Rinks, dated May 21, 2004, is amended to read as follows:

Base Salary. City agrees to pay Employee a monthly base salary, as of her November 7, 2002 date of hire, of \$4,167, payable at the same time as other City employees are paid. Employee shall receive a five percent (5%) increase in base salary effective July 1st of each fiscal year thereafter. The City Administrator position is exempt from the overtime provisions of the Fair Labor Standards Act and is not eligible for overtime pay.

EMPLOYEE:



Diane J. Rinks

CITY OF LAFAYETTE:



Lotis Hanks, Mayor

RECEIVED

NOV 30 2004

LAFAYETTE CITY HALL

JORDAN
SCHRADER
ATTORNEYS AT LAW

November 22, 2004

Diane Rinks
City Administrator
City of Lafayette
PO Box 55
Lafayette OR 97127

Re: **Employment Contract**
Our File No. 47514-32383

Dear Diane:

E. ANDREW JORDAN

Admitted In:
Oregon

Direct Dial
(503) 598-5511

E-mail
andy.jordan@jordanschrader.com

I have reviewed your employment contract and your memo of November 12, 2004 regarding Sections 4A and 4G of the agreement.

I am not too sure how this discrepancy occurred, but you are right that the way it is structured now, the monthly compensation figure is incorrect. The intent was that \$4,167 was the base salary in 2002, not 2004. An easy solution, therefore, is to amend the first sentence of Section 4A to read "City agrees to pay Employee a monthly base salary, as of her November 7, 2002 date of hire, of \$4,167, payable at the same time as other City employees are paid." With that correction, the annual salary increases which you have received since date of hire would simply be an addition to that number, and the addendum that was signed this year would remain in effect.)

The other question that occurs to me is whether the change from 24 to 28 hours of PTO was intended to be permanent or was only intended for the current fiscal year. The way the addendum reads, it is not limited to the year 2004, and I interpret that addendum to include a permanent change to the agreement from 24 to 28 hours of PTO. Assuming that that was the intent, there is no need for a change to the addendum.

I also note that the revised Employment Agreement was dated July 1, 2004 rather than May 21, 2004. The addendum says that the contract is dated May 21, 2004. It appears, therefore, that the July 1 date was a typographical error and should simply be changed by lining out "first day of July" and inserting manually "May 21, 2004" and then having the mayor and you initial that change on the original of the agreement.



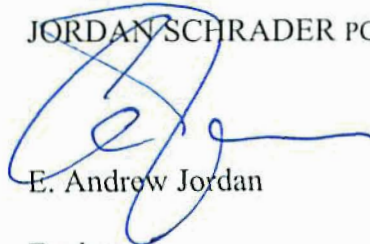
JORDAN SCHRADER
ATTORNEYS AT LAW

Diane Rinks
November 22, 2004
Page 2

Enclosed is a contract amendment to resolve the compensation issue.

Sincerely,

JORDAN SCHRADER PC



E. Andrew Jordan

Enclosure

City of Lafayette

486 Third Street - PO Box 55
Lafayette, OR 97127
Phone: (503) 864-2451 Fax: (503) 864-4501

Fax

To: Andy Jordan	From: Diane Rinks
Fax: (503) 598-7373	Pages: 8 (Including Cover Page)
Phone:	Date: November 12, 2004
Re: City Administrator Contract	CC:

Urgent For Review Please Comment Please Reply Please Recycle

● **Comments:**

Andy: Here is a copy of my employment agreement that you prepared this past May. You should have a copy of the original 11/02 contract in your files. If not, call Trena and she could send you one. That contract was for a specific term and expired on June 30th, 2004.

When I was hired in November of 2002, my salary was \$4167/month and I received 24 hours per month PTO. I was granted a 5% increase in July of 2003, bringing my salary to \$4375/month, with the PTO remaining at 24 hours per month. This past spring, I was offered a 5% increase, but I offered to take only 2 ½% with an increase to 28 hours per month PTO. This brought my salary to \$4484/month.

I asked you at that time how this should be reflected in the new contract, stating that I wished to have it remain a provision in the contract that I would get 5% in future years. You stated you would rather see a contract for an indefinite term and had some other minor revisions you wanted to make so you revamped the document. We then did the Addendum as a means of documenting the agreed to exchange of one-half the required increase for additional PTO.

I do not remember if we discussed it at the time or if I just missed it, but under Section 4A, Compensation, the new contract still lists my original base salary of \$4,167. As of July 1st, 2004, the date of the new contract, it should've been \$4,484. Also, Section 4G still lists my PTO as 24 hours, instead of 28. However, if those changes had been reflected in the new contract, there would have been no need for the Addendum so I am really confused as to what our thinking was at the time. Would you please review this and let me know what you think, or prepare something for me to take before the council in December. Trena would be able to verify all of the numbers for you, if you wish.