

## **Agenda Item Number 10.c.**

### **Executive Director Retirement, Employment Agreement**

**Presenter:** Chris Pryor and George Kloeppe

**Action Recommended:** Approve Executive Committee  
Recommendation

#### **Background**

Board members received notification on August 25 of George Kloeppe's intended retirement from the position of Executive Director on June 30, 2012. That communication also proposed that he separate from PERS employment, effective November 30, 2011. His continuing services as LCOG's Executive Director would be authorized, under his proposal, by a post-retirement Employment Agreement.

At its September 8 meeting, the Executive Committee considered all of these things and developed and approved an omnibus recommendation for the Board of Directors.

#### **Recommendation**

After discussing the issue, the Executive Committee adopted a motion that set forth four specific actions for the Board's consideration. If acceptable, it is recommended that the actions, perhaps as modified, be treated as a single motion:

- 1) Accept Executive Director George Kloeppe's resignation effective November 30, 2011;
- 2) Rehire George Kloeppe effective December 1, 2011 through June 30, 2011 under a new Employment Agreement;

- 3) Authorize the LCOG Board Chair, Chris Pryor, to establish a Search Committee with both LCOG Board Members and other key stakeholders, including representation from members' chief executive officers; and
- 4) Authorize the Executive Committee to enter into an appropriate agreement with a Recruitment Firm or public entity pursuant to a recommendation from the Search Committee.

## **Discussion**

George Kloeppe's retirement has been scheduled, if not announced, for the end of the current fiscal year for some time. In June 2012, he will have served as LCOG's Executive Director for over 31 years. As noted in his August 25 communication to the Board, his decision to separate from PERS employment early, at the end of November, was motivated by legislation passed during the last Session.

Post-retirement employment agreements are fairly common. Several PERS retirees are currently working for LCOG. The proposed Agreement between Kloeppe and LCOG, recommended by the Executive Committee and attached to this memo, would maintain Kloeppe's employment as LCOG's Executive Director, with no change in responsibilities, authority or compensation, for a seven-month period—December 2011 through June 2012. Of course, after his PERS retirement at the end of November, LCOG would no longer be responsible for contributing to the State Retirement System, either employer or employee shares, on his behalf. This fact alone is projected to save the agency approximately \$2,057 per month during the term of the proposed Employment Agreement. Further, during that period, Kloeppe would not accrue nor be eligible to utilize vacation or sick leave benefits.

The Executive Committee recommends that the Board accept his resignation, effective November 30, 2011, and authorize the Chair to enter into an Employment Agreement as outlined.

Of course, Kloeppe's retirement is only half of subject of this agenda item. It falls to the Board of Directors to engage in a "search" process that will lead to the appointment of a new Executive Director. Attached is a rough schedule of events that might be anticipated. Even with nine full months remaining prior to Kloeppe's departure from his position, there is much to do and time is limited.

Accordingly, the Executive Committee advises approval of the third and fourth recommendations listed above. With the Board's approval, a Search Committee can be formed and the work toward the selection of a search consultant—whether private individual, firm or government entity—could progress under the guidance of the Chair and the Executive Committee. By getting this “head start,” formal recruitment could begin with the new calendar year. The schedule of events may or may not accurately reflect the time required to perform the various necessary tasks associated with this recruitment. But it provides a starting point.

At this month's Executive Committee meeting, it was the Executive Director's recommendation that a search process be as open as possible. He stressed the importance of having stakeholders, beyond members of the Board, on the Search Committee, and he urged that input as to what the agency wants to do, what it needs and what kind of executive leadership will be required be broadly solicited. He particularly suggested that members of the staff be afforded appropriate opportunities to be heard.

Kloeppel is the fifth and longest-tenured director for an agency soon to celebrate its 66<sup>th</sup> anniversary. The Executive Committee was well aware that the decisions to be made during the coming months will have a lasting impact on the organization and on the regional community.