




August 25, 2011

**To:** LCOG Board of Directors and Executive Committee  
**From:** George Kloeppe, Executive Director   
**Subject:** Resignation, Retirement and Employment Agreement

It has been my intent for some time to retire from my position as your Executive Director at the end of the current fiscal year, June 30, 2012. I wanted to avoid the “short-timer” or “lame duck” phenomena by not making a formal public announcement too soon. Such an announcement in December, I thought, would provide the Board with time to implement a recruitment strategy and perhaps to finalize its search before my departure from the job next summer. If the recruitment was still in progress in June, an “interim Executive Director” could be appointed.

Changing this schedule a bit was legislation passed during the last Session. As it turns out, HB 2456 would make it financially advantageous for me to retire as a PERS participant before the end of the current calendar year. Since waiting six months to retire could result in a significant reduction in PERS benefits—for the rest of my life—I have determined that it would be preferable to retire under PERS at the end of November. Hence, this should be considered formal notice of my intention to resign my position and seek retirement benefits under PERS, effective November 30, 2011.

**That said, my intended schedule still holds for when I would hope to leave the job—June 30, 2012.**

I would propose that, as is fairly common both within LCOG and in other public agencies in the state, an Employment Agreement for my services as your Executive Director be executed for the period from December 1, 2011, to a point not later than the end of June 2012. Such an arrangement and its duration are entirely up to the Board of Directors. As a PERS retiree who will turn the “full retirement age” under Social Security (66) on February 1, 2012, there would be no limitation on my post-retirement work time for a PERS employer. LCOG has several contract

employees working under such agreements at present. There is a benefit for LCOG under such arrangements in that no further contributions need be made to PERS—neither the employer share nor the employee's share that is "picked-up" by the employer. This would enhance the agency's financial position—saving some \$2,057 per month in PERS expense.

Also contract employees do not accrue, nor are they eligible to utilize, vacation or sick leave. They are paid as hourly employees with benefits specified in individual contracts between themselves and LCOG. With the exceptions noted above, I would propose that my present compensation package remain unchanged under a post-retirement Employment Agreement.

I believe that the proposed Agreement (provided initially to just the Executive Committee) is a reasonable action. However, changes can certainly be made. Given the Board's meeting schedule, a decision regarding an Employment Agreement would need to be made at the September 22 Board meeting.

The Executive Committee is urged to craft a recommendation to the Board on this issue.

This memo would be incomplete if I failed to add that it continues to be a genuine honor to serve as LCOG's Executive Director. I have filled this role for over thirty years and am convinced that the demands of the position have matched well to my own professional assets and liabilities. The agency has a wonderfully talented staff and skilled and capable managers; it is healthy, well supported—financially and politically—and I am certain that there will be a robust response to a recruitment for its next CEO. Managing that recruitment process and making an insightful choice will be an important responsibility for the members of the Board of Directors. Our management team will provide input regarding the process, when and if asked. But the "call" is entirely the responsibility of the policy body of the organization.

This is by no means an Adios Letter; I hope to be here for a good while yet. But I do want to thank you and your predecessors for giving me this marvelous opportunity. While I look forward to turning a page next summer, I also know that I will miss LCOG.

**Employment Agreement Amendment**

As approved by the Board of Directors

**September 22, 2011**

**Lane Council of Governments  
&  
George Kloeppe, Executive Director**

**Purpose:**

This Employment Agreement between the Lane Council of Governments (LCOG) and George Kloeppe, LCOG Executive Director, changes the employment relationship from “regular” employment to post-retirement employment.

**Recitals**

On March 9, 1981, LCOG entered into an Employment Agreement with George Kloeppe by which Kloeppe was appointed to the position of Executive Director, the duties and responsibilities of which being specified in LCOG’s *Charter and Agreement* and its *Bylaws*. That appointment became effective May 1, 1981, when Kloeppe assumed the position to which he was appointed. Kloeppe remains in that position.

Kloeppe has tendered his resignation from the position of LCOG’s Executive Director, effective November 30, 2011.

It is Kloeppe’s desire to remain in his present position, as a contract employee, with no change in duties, responsibilities or prerogatives through June, 2012.

**Agreement**

1. The parties agree that this Agreement shall be in effect from December 1, 2011 to June 30, 2012, except that by mutual agreement the term could be extended or shortened and, further, by unilateral action by the LCOG Board of Directors the term could be shortened, provided that sixty (60) days notice is provided to Kloeppe.

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2. It is further agreed that this Employment Agreement formalizes a continued employment relationship between the LCOG Board of Directors and Kloepfel, except that PERS participation by Kloepfel and payment to PERS on his behalf by LCOG is terminated; and further, the provision of vacation leave and sick leave for Kloepfel is eliminated, but the holiday leave benefit afforded regular employees of LCOG is maintained.
3. The parties agree that Kloepfel's current compensation, authority and responsibilities will be maintained for the term of this Employment Agreement with the following exceptions:
  - Kloepfel will not accrue nor be eligible to use vacation or sick leave.
  - Neither employer nor employee contributions to PERS will be made on Kloepfel's behalf by LCOG.
  - Kloepfel will not be eligible to purchase short-term disability coverage.
4. Kloepfel will be paid at an hourly rate of \$61.67 which is established by dividing his monthly salary of \$10,689 by the average number of working hours in a month (173.33), not to exceed forty (40) hours per week nor 1,039 hours in any calendar year prior to February 1, 2012.
5. LCOG will continue to contribute the monthly sum of \$422.01 to Kloepfel's account in an agency-approved deferred compensation plan (457); further, Kloepfel remains eligible to contribute (pre-tax) though payroll deduction to such plan.
6. Kloepfel will remain eligible for holiday pay for such designated holidays that occur during the term of this amended Employment Agreement.
7. Kloepfel will remain eligible for the LTD bus pass and access to the City of Eugene's "Fit City" facility, as provided other LCOG employees.
8. Kloepfel will remain eligible for life and long term disability insurance.
9. Kloepfel will remain eligible for health insurance (health, dental, vision) as provided to other LCOG employees, including LCOG's contribution to Kloepfel's account under the agency's Health Reimbursement Arrangement

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(HRA); further, Kloepfel will remain eligible to participate in the agency's Flexible Spending Account (FSA) program for the duration of Fiscal year 2011-2012.

Approved by the parties by action of the LCOG Board of Directors September 22, 2011

LANE COUNCIL OF GOVERNMENTS

GEORGE KLOEPPEL

\_\_\_\_\_  
Chris Pryor, Chair  
LCOG Board of Directors

Date \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

