

City Council

Special Meeting Agenda

Tuesday, February 11, 2020
Library Meeting Room
951 Spruce Street
7:00 PM

1. **CALL TO ORDER**
2. **DISCUSSION/DIRECTION – CITY MANAGER EVALUATION PROCESS**
 - Facilitator Presentation
 - Council Discussion
 - Public Comments (Please limit to three minutes each)
 - Council Discussion/Direction
3. **ADVANCED AGENDA & IDENTIFICATION OF FUTURE AGENDA ITEMS**
4. **ADJOURN**

Citizen Information

If you wish to speak at the City Council meeting, please fill out a sign-up card and present it to the City Clerk.

Persons with disabilities planning to attend the meeting who need sign language interpretation, assisted listening systems, Braille, taped material, or special transportation, should contact the City Manager's Office at 303 335-4533. A forty-eight-hour notice is requested.

**SUBJECT: DISCUSSION/DIRECTION – CITY MANAGER EVALUATION
PROCESS**

DATE: FEBRUARY 11, 2020

**PRESENTED BY: MEGAN DAVIS, DEPUTY CITY MANAGER
KATHLEEN HIX, HUMAN RESOURCES DIRECTOR
KATHLEEN KELLY, CITY ATTORNEY**

SUMMARY:

The Louisville City Charter (Article 8, Section 8-1(d)) and the City Manager’s annual employment contract state that the City Council shall evaluate the City Manager’s performance annually. The current City Manager’s contract (Attachment 1) will be due for consideration in April 2020.

In 2019, City Council developed a mutually agreed-upon process for evaluating the City Manager, including an evaluation instrument and review process to provide the City Manager with performance feedback as well as goals for the coming year. In addition to evaluating the City Manager, City Council conducts annual evaluations of all City Council appointees, including the Municipal Judge, Prosecuting Attorney, City Attorney and Water Attorney. These will occur toward the end of the calendar year, as reappointment occurs in January.

Drawing from experiences of the 2019 evaluation process, City Council formalized the annual City Manager review process and established a regular timeline and consistent approach that can be utilized in future years. June Ramos has been retained to provide neutral facilitation in assisting City Council with the evaluation process. Ms. Ramos will review the evaluation tool with City Council to ensure there is a common understanding about how it will be utilized. City Council will determine how they wish to complete the tool – either through an online survey system or document/Excel spreadsheet. In addition, Ms. Ramos will provide some options for tools to conduct 360 evaluation with the City Manager’s direct reports and a self-evaluation. Attached is a detailed agenda for the discussion.

As a part of the discussion, Kathleen Hix, Director of Human Resources will provide an overview of the compensation comparison process for this position.

The City conducts an annual market rate survey for all City positions. City salaries are compared with like-positions/titles in municipal agencies within our region, including Boulder, Brighton, Broomfield, Commerce City, Erie, Golden, Lafayette and Longmont. Position titles and duties are closely reviewed for alignment. Salary adjustments are made annually if a position is below the average of all salaries within this market analysis. More details on the City of Louisville compensation process are attached.

FISCAL IMPACT:

The City has retained June Ramos for facilitation and management of the review process, at a price not to exceed \$5,000.

PROGRAM/SUB-PROGRAM IMPACT:

This process supports the City Council role in the Administration and Support services program goal to ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration and support.

RECOMMENDATION:

Staff recommends that City Council discuss and come to agreement regarding the process and tools for the 2020 review of the City Manager.

ATTACHMENT(S):

- 1. Facilitators agenda for discussion
- 2. Memo to City Council regarding 2020 City Manager review process

STRATEGIC PLAN IMPACT:

<input type="checkbox"/>	 Financial Stewardship & Asset Management	<input type="checkbox"/>	 Reliable Core Services
<input type="checkbox"/>	 Vibrant Economic Climate	<input type="checkbox"/>	 Quality Programs & Amenities
<input type="checkbox"/>	 Engaged Community	<input checked="" type="checkbox"/>	 Healthy Workforce
<input type="checkbox"/>	 Supportive Technology	<input type="checkbox"/>	 Collaborative Regional Partner

AGENDA
Louisville City Council -
Performance Management Process of City Manager
February 11, 2020
June E. Ramos, Facilitator
jramosassoc@mindspring.com

Overarching Objective

Obtain Council commitment to the process and tools to be used this year in the evaluation of the City Manager
Normalize process for consistency and uniformity

Agenda -

1. Review process and timeline, along with roles and responsibilities
2. Compensation – Kathleen Hix, Human Resources
 - a. Overview of compensation comparison process
 - b. Q/A
3. City Manager Evaluation Tool
 - a. Updates/edits/revisions?
 - b. Normalize use of the tool for consistency – Discussion and ideas to ensure that Council is all on the same page for tool completion
 - c. Discussion – Weighting of each core competency
4. 360° Questions for Directors
 - a. Review of sample questions (attached)
 - b. Tool – Survey Monkey
5. Self-Evaluation Form
 - a. Discussion of best format
 - i. Review of sample (attached)

SAMPLE QUESTIONS FOR DISCUSSION AND REVIEW
DIRECTOR 360° SURVEY

SCALE

5 = Strongly Agree; 4 = Agree; 3 = Neither Agree Nor Disagree; 2 = Disagree; 1 = Strongly Disagree

Strategic Leadership

1. The City Manager promotes and maintains professional and ethical work standards and behaviors; cultivates a standard of excellence that inspires and motivates employees; leads by example; develops trust and credibility; fosters positive morale; and aligns individual and programmatic goals to the City's mission and goals
2. The City Manager promotes and demonstrates initiative, risk-taking, vision, creativity, innovation and a commitment to continuous improvement
3. The City Manager sets an example that leads the organization and the community toward improvement, change, creative problem solving, and prompt action consistent with City organizational culture and community values

List summary comments or specific examples for your rating –

Administration, Decision Making, and Problem Solving

4. The City Manager actively maintains a consistently high level of quality in staff work, operational procedures, and service delivery
5. The City Manager promotes efficiency in operations and an environment that supports continuous improvement for the entire City organization
6. The City Manager has processes to systematically and continuously assess citizen needs and provide responsive, equitable services to the community
7. The City Manager, in conjunction with council support, takes initiative to identify problems; conducts comprehensive analyses of complex issues; involves others in seeking and evaluating solutions; makes clear, consistent, transparent decisions in a timely manner; distinguishes relevant from irrelevant information; and accepts challenges due to changing conditions, situations and work responsibilities

8. The City Manager successfully manages service delivery in functional areas (i.e. public safety, planning and building safety, economic development, public works, etc.), anticipating future needs, and effectively controlling costs

List summary comments or specific examples for your rating –

Supervision

9. The City Manager uses an appropriate/effective management style, encourages employees to develop to their fullest potential; develops performance plans and conducts annual evaluations in a thoughtful and fair manner; provides honest and ongoing feedback; supports employee training, development, and recognition; utilizes employee skills effectively; and seeks appropriate solutions to resolve personnel issues?
10. The City Manager, with the support of council, challenges City employees to perform at their highest level in a manner that encourages entrepreneurialism and initiative?
11. The City Manager demonstrates respect for people and their differences; promotes fairness and equity; fosters a sense of belonging; contributes to building a community of openness that is welcoming to all.

List summary comments or specific examples for your rating –

12. To increase her effectiveness as City Manager, what are the things that Heather should START doing?
13. To increase her effectiveness as City Manager, what are the things Heather should KEEP doing?
14. To increase her effectiveness as City Manager, what are the things Heather should STOP doing?

CITY MANAGER
SELF-ASSESSMENT, PERFORMANCE MANAGEMENT PROCESS
Year – 2019 – 2020 (*Not to exceed two (or four)? pages)
SAMPLE/FOR DISCUSSION AND REVIEW

Name/Date: _____

Significant Accomplishments

Major Issues/Challenges Faced and How You Resolved Them

Significant Issues You Expect to Face in the Upcoming Year

Actions That Have Demonstrated Leadership to the City

Target Goals – Ideas for consideration for the upcoming year

Other

MEMO

To: City Council

From: Megan Davis, Deputy City Manager
Kathleen Kelly, City Attorney, Kelly PC

Date: January 15, 2020

Subject: 2020 City Manager Evaluation Process

In 2019, City Council developed a new process for evaluating the performance of the City Manager. The Council formed a subcommittee to develop an evaluation tool and hired a consultant to facilitate the discussion among Council members regarding their feedback on the City Manager's performance and goals for the coming year. The Mayor and a member of the subcommittee then met with the City Manager to review their feedback and discuss the contract.

In May 2019 City Council agreed to utilize the same process for the coming year. Attached is an overview of the steps involved in the CM review process. The City Manager's contract is up for reconsideration and renewal on April 16, 2020, so staff recommend City Council begin the process in mid-January to complete the review in time for consideration of the contract prior to its expiration.

The Mayor and Mayor Pro-Tem discussed facilitator options and recommended June Ramos facilitate the process. Ms. Ramos has assisted Council with work-planning, goal-setting and other projects in the past. Ms. Ramos has experience working with City Councils to evaluate the City Manager and other appointed positions (Judge, City Attorney, etc.). Ms. Ramos is developing a scope of work for her services in this process, which will not exceed \$5,000.

In terms of timeline, staff recommends that Council begin discussing the evaluation process and retain a facilitator later this month so that the completion of the evaluation tool can occur in February and discussion in March. City Council can then discuss the City Manager contract amendments in April.

Key components of the evaluation process:

Evaluation instrument – The evaluation tool was developed by City Council in 2019 to incorporate the key competencies they require from the City Manager. The tool allows for a numerical evaluation response and a comment/narrative response. Based on feedback from previous year, the tool will be completed in excel format vs. through an online instrument. The Council has requested a discussion at a regular meeting or study session to familiarize

everyone with the tool and questions, so that everyone is interpreting and using the tool in the same way. Council may also wish to weight questions based on their key goals, and determine the questions for the 360 review and the CM self-evaluation.

360 input from City Directors – The City Council has not utilized a 360 review process in past years, but both Council and the City Manager have expressed interest in this for 2020. The consultant can provide sample 360 questions that can be completed by direct reports to the City Manager.

Facilitated discussion of evaluation and goals – The facilitator will assist City Council and the City Attorney in a guided discussion around the City Manager’s performance and goals. The outcome will be a one-page summary of the performance review that will be shared with the City Manager and ultimately considered at a regular Council meeting with the employment contract. This is a personnel matter involving the review of the performance of an employee directly appointed by City Council, and therefore the meeting will occur in Executive Session with the City Attorney.

Salary comparison data – The Human Resources Director will provide compensation comparison data for City Managers within our region, using the same methodology used for salary comparisons for all City positions. In addition, salary comparisons of the direct reports to the City Manager will be provided.

Discussion with City Manager and contract negotiations – After the City Council completes its review and agrees upon feedback and goals, two representatives of Council will meet with the City Manager to discuss the review and the City Managers contract for the following year.

City Council approval of City Manager evaluation and goals, and contract – At a regular meeting, the City Council will discuss the final evaluation summary and contract.

The proposed timeline for 2020 is as follows:

- **Tuesday, Feb. 11** - Special Meeting, City Council and consultant/facilitator discuss the instrument, weighting of factors, goals, 360 questions and CM self-evaluation.
- **Friday, Feb. 14** – Evaluation instrument is finalized and sent to City Council.
- **Feb. 14 – 24** – City Council window to complete evaluation and submit back to consultant.
- **Feb. 24 – March 11** – Consultant compiles input and responses and prepares agenda for facilitated session.
- **March 13** – Packet due for March 17 executive session (with agenda and summary of the review input).
- **Tuesday, March 17** - Executive Session with facilitator to discuss CM evaluation.
- **March 30 – April 12** – Representatives from Council meet with CM to review evaluation and discuss contract.
- **Monday, April 13**– Packet due for April 21 City Council meeting.
- **Tuesday, April 21** – Council consider CM evaluation and contract at regular meeting.

Attachments:

- 1) Overview of City Manager Evaluation process
- 2) 2019 Evaluation Instrument
- 3) 2019 Council Packet – including 2019 Goals for City Manager and City Manager’s 2019/20 contract

2020 City Manager Annual Performance Review Process

	January	February	March	April	October
	Identify Consultant/Facilitator	City Council meet with consultant/facilitator and City Attorney, orientation to evaluation instrument and process	Consultant/facilitator compile City Council and 360 responses and provide summary to Council.	City Council consider final evaluation summary and City Manager contract	Mid-year review/check-in with City Council representatives and City Manager
	Complete contract with consultant	City Council determine weighting of evaluation areas	City Council meet with consultant/facilitator and City Attorney to discuss evaluation input and goals		
	Review Evaluation process with City Council (via Memo)	Distribute the instrument through online survey	City Council representatives meet with City Manager to review evaluation results and goals for the coming year		
	Develop questions for 360 input	Council complete evaluation instrument/survey	Consultant/facilitator and City Attorney finalize evaluation summary for Council approval		
Executive Session		Circulate 360 evaluations	City Attorney finalize City Manager Contract for Council consideration		
Regular City Council Meeting		Prepare compensation comparisons			
Study Session		CM complete self-evaluation			

Louisville City Manager Evaluation

Please rate the City Manager using the following scale:

- 5 - Outstanding**
Far exceeds performance expectations on a consistent and uniform basis.
- 4 - Exceeding expectations**
Always achieves performance expectations and frequently exceeds them.
- 3 - Meeting expectations**
Consistently fulfills performance expectations and periodically may exceed them.
- 2 - Below Expectations**
Periodically fails to meet expectations in the significant/essential requirements and improvement is needed.
- 1 - Fails to Meet Expectations**
Consistently fails to meet expectations in the significant/essential requirements and improvement is needed

	Weight	Rating	Comments
I. Strategic Leadership	25%		
<p>Does the City Manager promote and maintain professional and ethical work standards and behaviors; cultivate a standard of excellence that inspires and motivates employees; lead by example; develop trust and credibility; foster positive morale; and align individual and programmatic goals to the City’s mission and goals?</p> <p>Does the City Manager promote and demonstrate initiative, risk taking, vision, creativity, innovation and a commitment to continuous improvement?</p> <p>Does the City Manager set an example that leads the organization and the community toward improvement, change, creative problem solving, and prompt action consistent with City organizational culture and community values?</p>			
II. Execution of Policy	10%		
<p>Does the City Manager support elected officials and the community to identify, work toward, and achieve common goals and objectives?</p> <p>Does the City Manager understand the laws and ordinances of the city and actively communicate and fairly and consistently apply them?</p>			

III. Community Relations, Collaboration, and Public Engagement	10%		
<p>Does the City Manager actively initiate community interaction and communication?</p> <p>Does the City Manager interact with everyone in a courteous and respectful manner; actively listen; clearly and effectively share information; demonstrate effective oral and written communication skills; and consistently present him/herself in constructive and professional manner?</p> <p>Does the City Manager anticipate and meet citizen needs; communicate effectively with internal and external clients; build relationships with constituents; follow through with commitments in a timely manner; and value the importance of delivering quality customer service to clients?</p> <p>Does the City Manager demonstrate a commitment to respecting elected officials, community interest groups, and a collaborative decision making process?</p> <p>Does the City Manager collaborate, inform, and involve the community in decisions that may affect them?</p>			

<p>Does the city manager collaborate successfully with neighboring communities/counties and citizens while focusing on the interests of Louisville?</p>			
<p>IV. Administration, Decision Making, and Problem Solving</p>	<p>5%</p>		
<p>Does the City Manager actively maintain a consistently high level of quality in staff work, operational procedures, and service delivery?</p> <p>Does the City Manager promote efficiency in operations and an environment that supports continuous improvement for the entire City organization?</p> <p>Does the City Manager have processes to systematically and continuously assess citizen needs and provide responsive, equitable services to the community?</p> <p>Does the City Manager, in conjunction with council support, take initiative to identify problems; conduct comprehensive analyses of complex issues; involve others in seeking and evaluating solutions; make clear, consistent, transparent decisions in a timely manner; distinguish relevant from irrelevant information; and accept challenges due to changing conditions, situations and work responsibilities?</p> <p>Is the City Manager successful in managing service delivery in functional areas (i.e. public</p>			

safety, planning and building safety, economic development, public works, etc.), anticipating future needs, and effectively controlling costs?			
V. Supervision	10%		
<p>Does the City Manager use an appropriate/effective management style; encourage employees to develop to their fullest potential; develop performance plans and conduct annual evaluations in a thoughtful and fair manner; provide honest and on-going feedback; support employee training, development and recognition; utilize employee skills effectively; and seek appropriate solutions to resolve personnel issues?</p> <p>Does the City Manager, with the support of council, challenge City employees to perform at their highest level in a manner that encourages entrepreneurship and initiative?</p> <p>Does the City Manager demonstrate respect for people and their differences; promote fairness and equity; foster a sense of belonging; contribute to building a community of openness and inclusion; and support an environment that is welcoming to all?</p>			
VI. Economic Development	15%		
Does the City Manager develop effective strategies for economic development which are consistent with community values that			

<p>provide for the City's needs to maintain and improve its tax base by providing a positive business climate?</p> <p>Does the city manager work well and effectively to support the City's business community?</p> <p>Does the City Manager collaborate effectively with local, state, and regional economic development organizations?</p> <p>Does the City Manager actively seek and recruit business development opportunities that are consistent with community values?</p>			
<p>VII. City Council Relations</p>	<p>5%</p>		
<p>Does the City Manager strive to work well and collaborate with the City Council including keeping them informed of issues or concerns on a regular basis?</p> <p>Does the City Manager properly manage the process of developing meeting agendas and reports to ensure that there is adequate information available to the City Council and interested public prior to meetings?</p>			

VIII. Budgeting and Financial Management	20%		
<p>Does the City Manager ensure that the bi-annual and annual City budget is prepared and executed in a manner that integrates the City’s strategic planning and is reflective of community’s values and priorities as approved by the City Council?</p> <p>Does the City Manager regularly and routinely inform City Council of significant budget adjustments and financial commitments that are made within the City Manager’s discretion?</p> <p>Does the City Manager properly interpret financial information to assess the short-term and long-term fiscal condition of the community, determines the cost-effectiveness of programs, and compares alternative strategies to meet community goals and objectives?</p> <p>Does the City Manager comply with City financial policies, protect the City’s assets, and maintain continuous assessment of record-keeping procedures and internal controls?</p>			

Additional Comments:

Name of Reviewer: _____

Date: _____

**SUBJECT: APPROVAL OF WRITTEN RECORD OF EVALUATION AND
FIRST AMENDED EMPLOYMENT AGREEMENT FOR CITY
MANAGER HEATHER BALSER**

DATE: APRIL 16, 2019

PRESENTED BY: KATHLEEN KELLY, CITY ATTORNEY

SUMMARY:

The City's Home Rule Charter (Article 8, Section 8-1(d)) provides the City Council shall evaluate the City Manager's performance annually and shall make a written record of the evaluation. The City Manager's performance evaluation was conducted by the City Council on March 12 and April 2, 2019, the written record of which is attached.

In follow-up to the performance evaluation, the attached First Amended Employment Agreement has been drafted for the City Council's consideration. The salary increase is effective as of her one year anniversary as City Manager (January 6, 2019), with retroactive pay from that date to the effective date of the First Amended Employment Agreement.

The First Amended Employment Agreement also shifts the annual performance review of the City Manager to April of each year.

FISCAL IMPACT:

The Employment Agreement would increase Ms. Balsler's current annual base salary from \$180,000 to \$183,600.

RECOMMENDATION:

City Council approve the attached written record of the City Manager's performance evaluation and First Amended Employment Agreement with City Manager Heather Balsler.

ATTACHMENT(S):

1. Written record of City Manager performance evaluation
2. First Amended Employment Agreement with City Manager Heather Balsler (clean)
3. First Amended Employment Agreement with City Manager Heather Balsler (redlined)

The Louisville City Council evaluated City Manager Heather Balsler in the following areas:

- Strategic Leadership
- Execution of Policy
- Community Relations, Collaboration, and Public Engagement
- Administration, Decision Making, and Problem Solving
- Supervision
- Economic Development
- Integrity and Accountability
- City Council Relations
- Strategic Planning and Organizing
- Budgeting and Financial Management

Primary finding:

City Council rates Balsler as generally meeting expectations while periodically exceeding expectations. Work is of high quality in all significant areas of responsibility, with further areas of development to focus on in her second year as city manager.

Performance Goals for 2019:

The City Council identified Balsler’s strengths and developmental areas for her to focus on in 2019.

Strengths:

Balsler has initiated communications with city council members by responding to calls, communicating proactively with council members and keeping an open channel of communication, and making effort to inform council in advance of newsworthy events.

Maintains strong relationships with state and local governments and organizations.

Spearheaded a strategic planning process with an internal orientation, incorporating both employee and council input and working to acculturate the goals of the plan.

Has strong integrity and work ethic.

Provides support to Council to make tough decisions when the challenges of public sentiment, municipal code, and financial realities are in balance. Encourages Council to consider the implications of policy decisions while assuming the operational responsibility of policy implementation.

Refocused the budget process on policy discussions for council consideration.

Succeeded in hiring several excellent individuals for key staff positions.

Avoids micro-managing department directors.

Developmental areas:

Need to further evolve the organizational culture to encourage staff innovation in the delivery of city services, commit to excellence in customer service, and create an ingrained expectation of interdepartmental collaboration.

Provide greater leadership, together with the Council and the community, in developing an effective and measureable economic development strategy. Direct attention to ongoing execution, recruitment of economically compatible businesses, and measuring results to understand how to improve strategy and performance.

Improve familiarity with city finances and proactively manage the budget with a more precise emphasis using the Program Budget tool. Sharpen the tool at all levels for timely and better decision making. Implement effective dashboards, systematic reporting for all operations, and timely notice on potential areas of financial concern.

FIRST AMENDED EMPLOYMENT AGREEMENT

THIS FIRST AMENDED EMPLOYMENT AGREEMENT ("Agreement") is made effective as of the 16th day of April, 2019, by and between the City of Louisville, a Colorado home rule municipal corporation, hereinafter known as "the City" and Heather A. Balsler, hereinafter known as "the City Manager."

WHEREAS, the City desires to employ the services of Heather A. Balsler for the office of City Manager of the City of Louisville, Colorado; and

WHEREAS, the City and the City Manager desire to set forth certain specifics concerning the employment of the City Manager by the City, and to establish conditions of employment and working conditions of said Manager; and

WHEREAS, the City Manager desires to accept employment as City Manager of the City of Louisville under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the following mutual covenants and conditions the parties agree as follows:

1. Duties; Residency. The City agrees to employ Heather A. Balsler as City Manager to perform the functions and duties specified by Colorado State Statutes, the Louisville Home Rule Charter and Municipal Code, and any other applicable laws, ordinances, or regulations of the City of Louisville. In addition, the City Manager agrees to perform any other legally permissible and proper duties and functions as the City Council of the City shall from time-to-time assign to the City Manager. The City Manager shall comply with the City's policies concerning workplace conduct, including without limitation the City Code of Ethics and the City's policies regarding discrimination, harassment, retaliation, workplace violence, workplace safety, and equal employment opportunity. The City Manager is and shall remain a resident of the City throughout the City Manager's appointment.

2. Term. The City Manager is an employee at will. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council of the City to terminate the services of the City Manager at any time, subject to the provisions set forth in Section 4 herein. Nothing in the Agreement shall prevent, limit or otherwise interfere with the right of the City Manager to resign at any time from her position upon thirty (30) days prior written notice, subject only to the provisions as set forth in Section 4 herein. The City Manager's first day of employment as City Manager was January 6, 2018.

3. Compensation. The City agrees to pay to the City Manager for her services rendered pursuant hereto an annual base salary of \$183,600.00,

commencing January 6, 2019, payable in biweekly installments at the same time as other employees of the City are paid, and including retroactive pay for the period January 6, 2019 to April 16, 2019 to be paid in the next pay period following execution of this First Amended Employment Agreement.

The position of City Manager is an exempt position under the provision of the Fair Labor Standards Act. As such, the City Manager shall not be bound by the record keeping or overtime provisions of the Act, and shall not earn overtime pay or compensatory time.

4. Termination and Severance Pay. The employment of the City Manager may be terminated by the City Council at any time, with or without cause, by the affirmative vote of a majority of the entire City Council. It is understood that the City Manager serves at the pleasure of the City Council, that the City Manager's employment may be terminated at the will of the City Council, and that the procedures for termination of an employee as set out in the City's Personnel Guidelines shall not apply to any termination of the City Manager.

It is understood that in the event the City Manager is terminated because of her conviction of any illegal act involving personal gain to the City Manager, or because of her conviction of any felonious act, or because of any act of moral turpitude, or because of insubordination, nonfeasance, or malfeasance in the performance of duties, or because of violation of the City's Code of Ethics or City's policies regarding discrimination, harassment, retaliation, workplace violence, workplace safety, or equal employment opportunity, the City shall have no obligation to pay any severance pay.

In the event of termination of the City Manager by the City Council for any reason other than those enumerated above, including but not limited to non-appropriation of funds pursuant to Section 16, the City Manager shall be entitled to receive six (6) months' severance pay. Severance pay shall include payment for six (6) months' health, dental and vision benefits under Section 8 of this Agreement, but shall not include any other benefits under Section 6 or Sections 8 through 13, inclusive, of this Agreement, or any other benefits. The health, dental and vision benefits under Section 8 shall be for the City Manager and dependents (if the City Manager has obtained dependents coverage) with the City Manager and City to pay their respective portions of the premiums and costs thereof according to the benefits plans then in effect. Severance pay shall be paid in a lump sum on the first pay date immediately following the City Manager's last working day, except that the respective portions of the premiums and costs for the six (6) months' continued health, dental and vision benefits shall be paid monthly at the times required by the benefits plans then effect.

In the event the City Manager resigns, the City Manager shall not be entitled to any severance pay.

5. Performance Evaluation. The City Council shall set written performance goals for and shall review and evaluate the performance of the City Manager on an annual basis in the following areas: (1) strategic leadership; (2) execution of policy; (3) community relations, collaboration, and public engagement; (4) administration, decision making, and problem solving; (5) supervision; (6) economic development; (7) integrity and accountability; (8) City Council relations; (9) strategic planning and organizing; and (10) budgeting and financial management. The next such annual review shall occur in April 2020, except the foregoing shall not limit the authority of the City Council to evaluate the performance of the City Manager at any other time or more frequent intervals, in its sole discretion.

6. Automobile. The City shall provide the City Manager with an automobile allowance of \$525.00 per month, commencing with the first pay date in January 2018, and payable via payroll check on the first pay date of each month. Such automobile allowance shall be subject to reporting and withholding as required by law. The City Manager shall then provide her own transportation as necessary in the performance of her duties. The City Manager shall procure and shall continuously maintain in force all insurance required by law for each personal vehicle utilized by the City Manager on City business, including liability limits of not less than \$350,000.00 per person and \$1,000,000.00 per occurrence. Additionally, the City Manager is required to carry a medical payment coverage amount of at least \$10,000 per person. The City shall be named as an additional insured on the City Manager's auto liability coverage.

7. Paid Illness Leave and Leave Time. The City Manager shall receive fifty-six (56) hours annually as Extended Illness Bank leave for personal illness or injury during the term of her employment as City Manager. Illness leave time shall be accrued on a biweekly basis, coincidental with established pay dates. The City Manager may accrue up to a maximum of 480 hours of illness leave time. Upon termination of employment with the City, the City Manager shall not be paid for any accrued, unused illness leave time.

The City Manager shall also receive paid leave time. Paid leave time, which consists of vacation, holiday, and personal leave, shall be accrued on a biweekly basis, coincidental with established pay dates, at a rate in accordance with the City's personnel policies for employees who have completed 181 months of service. The City Manager may accrue up to a maximum of 444.21 hours of paid leave time. Any amounts in excess of such accrual shall be forfeited as of each January 1. Upon termination of her employment with the City, the City Manager shall be paid for all accrued, unused paid leave time.

8. Insurance. The City Manager shall be entitled to receive the same health, dental, vision, disability, life, liability, and other insurance coverage as set forth under the terms of the group insurance coverages provided by the City to all employees. The City Manager must meet all of the terms and conditions required by the individual carriers in order to receive said coverages.

9. Retirement. The City agrees to pay an amount equal to five and one-half percent (5.5%) of the City Manager's base salary into the International City/County Management Association Retirement Corporation's (ICMA-RC) 401-A Money Purchase Plan, which is the current uniform percentage rate paid for all employees participating in the plan. The City Manager shall contribute at a rate in accordance with the City's personnel policies. Each payment shall be made on a biweekly basis according to the City's payroll schedule. In the event the City Council approves any change in the uniform percentage rate paid for all employees participating in the plan, the above-stated 5.5% rate shall automatically adjust to the new rate, effective as of the effective date of the change. All of the City's contribution will be vested to the City Manager in accordance with the City's vesting schedule.

10. Deferred Compensation. The City agrees to pay an amount equal to ten percent (10%) of the City Manager's base salary into the International City/County Management Association Retirement Corporation's (ICMA-RC) Section 457 Deferred Compensation Plan, subject to contribution limits under federal law. Each payment shall be made on a biweekly basis according to the City's payroll schedule, with the City contribution being ten percent (10%) of the base salary paid for such payroll period, but in no event exceeding contribution limits under federal law. In the event any amount of the City's ten percent (10%) contribution would be in excess of the contribution limits under federal law, the excess amount of such ten percent (10%) contribution will be paid to the City Manager as salary during that pay period. All of the City's contribution will be vested to the City Manager in accordance with the City's vesting schedule.

11. Other Fringe Benefits & Benefits Rules. Except as otherwise specifically provided in this Agreement, all of the City's Personnel Guidelines relating to Extended Illness Bank leave, paid leave time, insurance, retirement contributions, holidays, and other fringe benefits as they now exist or hereafter may be amended, shall apply to the City Manager as they would to other full-time employees of the City.

12. Dues and Subscriptions; Professional Development. The City agrees to budget and pay for reasonable professional dues and subscriptions of the City Manager necessary for her participation in national, regional, state, and local associations and organizations necessary and desirable for her continued

professional participation, growth, and advancement, and which are for the good of the City. The City also agrees to budget and pay for necessary travel expenses for the Manager to adequately pursue official and other functions for the City, and professional development of mutual benefit to the City and the City Manager. By way of example, such functions include, but are not limited to, meetings and conferences of the International City/County Management Association and the Colorado Municipal League.

13. Reimbursement of General Expenses. The City recognizes that certain expenses of a non-personal and job-related nature will be incurred by the City Manager, and hereby agrees to reimburse reasonable general expenses, which shall be submitted for review by the Mayor prior to City Council approval.

14. Other Terms and Conditions of Employment. The City Council shall fix such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the City Manager, provided such terms and conditions are not inconsistent with the provisions of this Agreement, the Colorado State Statutes, or the Louisville Home Rule Charter or Municipal Code.

It is understood that the City Manager is not to be treated as an employee under the provisions contained in the City's Personnel Guidelines. It is further understood that the rights and obligations contained in said Guidelines are not binding upon the City with respect to the employment of the City Manager except as expressly enumerated in this Agreement.

15. Service of the City; Outside Activities. The City Manager shall render and devote exclusive service to the City on a full-time basis. The City Manager shall not spend any time in remunerated business outside of this Agreement, nor shall she spend more than ten hours per week in non-remunerated non-City connected business, without the prior approval of the City Council. No such outside activities shall be contrary to the interests of the City.

16. Funding. Notwithstanding any other provisions contained herein, this Agreement is subject to an annual appropriation by the City Council of sufficient funds to pay the full amount due, or which may be due hereunder for the following year. A failure to appropriate such funds shall constitute a termination pursuant to Section 4 of this Agreement.

17. Constitutionality. The parties hereto do not extend this Agreement to be a multiple fiscal year financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution, and this Agreement shall be interpreted so as to avoid any such meaning.

18. Miscellaneous Provisions.

(a) This Agreement is held to be the entire Agreement of the parties hereto.

(b) This Agreement shall be binding upon and inure to the benefit of the heirs, representatives, and assigns of the City Manager.

(c) If any provision or portion of this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement shall be deemed severable and shall remain in full force and effect.

In WITNESS WHEREOF, the parties have executed this First Amended Employment Agreement on the dates set forth adjacent to their respective signatures, intending the same to be effective as of the 16th day of April, 2019. The parties agree that signatures obtained via electronic means are sufficient and binding for this Agreement.

CITY OF LOUISVILLE

CITY MANAGER

Robert P. Muckle, Mayor

Heather A. Balsler,
City Manager

Date:_____

ATTEST:

Meredyth Muth, City Clerk
Date:_____

APPROVED AS TO FORM:

Kelly PC
City Attorney

FIRST AMENDED EMPLOYMENT AGREEMENT

THIS FIRST AMENDED EMPLOYMENT AGREEMENT ("Agreement") is made effective as of the ~~6th~~16th day of ~~January, 2018~~April, 2019, by and between the City of Louisville, a Colorado home rule municipal corporation, hereinafter known as "the City" and Heather A. Balsler, hereinafter known as "the City Manager."

WHEREAS, the City desires to employ the services of Heather A. Balsler for the office of City Manager of the City of Louisville, Colorado; and

WHEREAS, the City and the City Manager desire to set forth certain specifics concerning the employment of the City Manager by the City, and to establish conditions of employment and working conditions of said Manager; and

WHEREAS, the City Manager desires to accept employment as City Manager of the City of Louisville under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the following mutual covenants and conditions the parties agree as follows:

1. Duties; Residency. The City agrees to employ Heather A. Balsler as City Manager to perform the functions and duties specified by Colorado State Statutes, the Louisville Home Rule Charter and Municipal Code, and any other applicable laws, ordinances, or regulations of the City of Louisville. In addition, the City Manager agrees to perform any other legally permissible and proper duties and functions as the City Council of the City shall from time-to-time assign to the City Manager. The City Manager shall comply with the City's policies concerning workplace conduct, including without limitation the City Code of Ethics and the City's policies regarding discrimination, harassment, retaliation, workplace violence, workplace safety, and equal employment opportunity. The City Manager is and shall remain a resident of the City throughout the City Manager's appointment.

2. Term. The City Manager is an employee at will. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council of the City to terminate the services of the City Manager at any time, subject to the provisions set forth in Section 4 herein. Nothing in the Agreement shall prevent, limit or otherwise interfere with the right of the City Manager to resign at any time from her position upon thirty (30) days prior written notice, subject only to the provisions as set forth in Section 4 herein. The City Manager's first day of employment as City Manager ~~is~~was January 6, 2018.

3. Compensation. The City agrees to pay to the City Manager for her services rendered pursuant hereto an annual base salary of ~~\$180,000~~183,600.00, commencing ~~upon her first day of employment as City Manager and~~January 6, 2019, payable in biweekly installments at the same time as other employees of the City are paid, and including retroactive pay for the period January 6, 2019 to April 16, 2019 to be paid in the next pay period following execution of this First Amended Employment Agreement.

The position of City Manager is an exempt position under the provision of the Fair Labor Standards Act. As such, the City Manager shall not be bound by the record keeping or overtime provisions of the Act, and shall not earn overtime pay or compensatory time.

4. Termination and Severance Pay. The employment of the City Manager may be terminated by the City Council at any time, with or without cause, by the affirmative vote of a majority of the entire City Council. It is understood that the City Manager serves at the pleasure of the City Council, that the City Manager's employment may be terminated at the will of the City Council, and that the procedures for termination of an employee as set out in the City's Personnel Guidelines shall not apply to any termination of the City Manager.

It is understood that in the event the City Manager is terminated because of her conviction of any illegal act involving personal gain to the City Manager, or because of her conviction of any felonious act, or because of any act of moral turpitude, or because of insubordination, nonfeasance, or malfeasance in the performance of duties, or because of violation of the City's Code of Ethics or City's policies regarding discrimination, harassment, retaliation, workplace violence, workplace safety, or equal employment opportunity, the City shall have no obligation to pay any severance pay.

In the event of termination of the City Manager by the City Council for any reason other than those enumerated above, including but not limited to non-appropriation of funds pursuant to Section 16, the City Manager shall be entitled to receive six (6) months' severance pay. Severance pay shall include payment for six (6) months' health, dental and vision benefits under Section 8 of this Agreement, but shall not include any other benefits under Section 6 or Sections 8 through 13, inclusive, of this Agreement, or any other benefits. The health, dental and vision benefits under Section 8 shall be for the City Manager and dependents (if the City Manager has obtained dependents coverage) with the City Manager and City to pay their respective portions of the premiums and costs thereof according to the benefits plans then in effect. Severance pay shall be paid in a lump sum on the first pay date immediately following the City Manager's last working day, except that the respective portions of the premiums

and costs for the six (6) months' continued health, dental and vision benefits shall be paid monthly at the times required by the benefits plans then effect.

In the event the City Manager resigns, the City Manager shall not be entitled to any severance pay.

5. Performance Evaluation. The City Council shall set written performance goals for and shall review and evaluate the performance of the City Manager on an annual basis, ~~except that the City Manager's first written evaluation shall be completed no later than six (6) months after the commencement of employment as City Manager; and except, further, that nothing herein shall~~ in the following areas: (1) strategic leadership; (2) execution of policy; (3) community relations, collaboration, and public engagement; (4) administration, decision making, and problem solving; (5) supervision; (6) economic development; (7) integrity and accountability; (8) City Council relations; (9) strategic planning and organizing; and (10) budgeting and financial management. ~~The next such annual review shall occur in April 2020, except the foregoing shall not~~ limit the authority of the City Council to evaluate the performance of the City Manager at any other time or more frequent intervals, in its sole discretion.

6. Automobile. The City shall provide the City Manager with an automobile allowance of \$525.00 per month, commencing with the first pay date in January 2018, and payable via payroll check on the first pay date of each month. Such automobile allowance shall be subject to reporting and withholding as required by law. The City Manager shall then provide her own transportation as necessary in the performance of her duties. The City Manager shall procure and shall continuously maintain in force all insurance required by law for each personal vehicle utilized by the City Manager on City business, including liability limits of not less than \$350,000.00 per person and \$1,000,000.00 per occurrence. Additionally, the City Manager is required to carry a medical payment coverage amount of at least \$10,000 per person. The City shall be named as an additional insured on the City Manager's auto liability coverage.

7. Paid Illness Leave and Leave Time. The City Manager shall receive fifty-six (56) hours annually as Extended Illness Bank leave for personal illness or injury during the term of her employment as City Manager. Illness leave time shall be accrued on a biweekly basis, coincidental with established pay dates. The City Manager may accrue up to a maximum of 480 hours of illness leave time. Upon termination of employment with the City, the City Manager shall not be paid for any accrued, unused illness leave time.

The City Manager shall also receive paid leave time. Paid leave time, which consists of vacation, holiday, and personal leave, shall be accrued on a biweekly

basis, coincidental with established pay dates, at a rate in accordance with the City's personnel policies for employees who have completed 181 months of service. The City Manager may accrue up to a maximum of 444.21 hours of paid leave time. Any amounts in excess of such accrual shall be forfeited as of each January 1. Upon termination of her employment with the City, the City Manager shall be paid for all accrued, unused paid leave time.

8. Insurance. The City Manager shall be entitled to receive the same health, dental, vision, disability, life, liability, and other insurance coverage as set forth under the terms of the group insurance coverages provided by the City to all employees. The City Manager must meet all of the terms and conditions required by the individual carriers in order to receive said coverages.

9. Retirement. The City agrees to pay an amount equal to five and one-half percent (5.5%) of the City Manager's base salary into the International City/County Management Association Retirement Corporation's (ICMA-RC) 401-A Money Purchase Plan, which is the current uniform percentage rate paid for all employees participating in the plan. The City Manager shall contribute at a rate in accordance with the City's personnel policies. Each payment shall be made on a biweekly basis according to the City's payroll schedule. In the event the City Council approves any change in the uniform percentage rate paid for all employees participating in the plan, the above-stated 5.5% rate shall automatically adjust to the new rate, effective as of the effective date of the change. All of the City's contribution will be vested to the City Manager in accordance with the City's vesting schedule.

10. Deferred Compensation. The City agrees to pay an amount equal to ten percent (10%) of the City Manager's base salary into the International City/County Management Association Retirement Corporation's (ICMA-RC) Section 457 Deferred Compensation Plan, subject to contribution limits under federal law. Each payment shall be made on a biweekly basis according to the City's payroll schedule, with the City contribution being ten percent (10%) of the base salary paid for such payroll period, but in no event exceeding contribution limits under federal law. In the event any amount of the City's ten percent (10%) contribution would be in excess of the contribution limits under federal law, the excess amount of such ten percent (10%) contribution will be paid to the City Manager as salary during that pay period. All of the City's contribution will be vested to the City Manager in accordance with the City's vesting schedule.

11. Other Fringe Benefits & Benefits Rules. Except as otherwise specifically provided in this Agreement, all of the City's Personnel Guidelines relating to Extended Illness Bank leave, paid leave time, insurance, retirement contributions, holidays, and other fringe benefits as they now exist or hereafter

may be amended, shall apply to the City Manager as they would to other full-time employees of the City.

12. Dues and Subscriptions; Professional Development. The City agrees to budget and pay for reasonable professional dues and subscriptions of the City Manager necessary for her participation in national, regional, state, and local associations and organizations necessary and desirable for her continued professional participation, growth, and advancement, and which are for the good of the City. The City also agrees to budget and pay for necessary travel expenses for the Manager to adequately pursue official and other functions for the City, and professional development of mutual benefit to the City and the City Manager. By way of example, such functions include, but are not limited to, meetings and conferences of the International City/County Management Association and the Colorado Municipal League.

13. Reimbursement of General Expenses. The City recognizes that certain expenses of a non-personal and job-related nature will be incurred by the City Manager, and hereby agrees to reimburse reasonable general expenses, which shall be submitted for review by the Mayor prior to City Council approval.

14. Other Terms and Conditions of Employment. The City Council shall fix such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the City Manager, provided such terms and conditions are not inconsistent with the provisions of this Agreement, the Colorado State Statutes, or the Louisville Home Rule Charter or Municipal Code.

It is understood that the City Manager is not to be treated as an employee under the provisions contained in the City's Personnel Guidelines. It is further understood that the rights and obligations contained in said Guidelines are not binding upon the City with respect to the employment of the City Manager except as expressly enumerated in this Agreement.

15. Service of the City; Outside Activities. The City Manager shall render and devote exclusive service to the City on a full-time basis. The City Manager shall not spend any time in remunerated business outside of this Agreement, nor shall she spend more than ten hours per week in non-remunerated non-City connected business, without the prior approval of the City Council. No such outside activities shall be contrary to the interests of the City.

16. Funding. Notwithstanding any other provisions contained herein, this Agreement is subject to an annual appropriation by the City Council of sufficient funds to pay the full amount due, or which may be due hereunder

for the following year. A failure to appropriate such funds shall constitute a termination pursuant to Section 4 of this Agreement.

17. Constitutionality. The parties hereto do not extend this Agreement to be a multiple fiscal year financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution, and this Agreement shall be interpreted so as to avoid any such meaning.

18. Miscellaneous Provisions.

(a) This Agreement is held to be the entire Agreement of the parties hereto. ~~The parties hereby mutual terminate that certain Employment Agreement for Interim City Manager dated effective July 15, 2017.~~

(b) This Agreement shall be binding upon and inure to the benefit of the heirs, representatives, and assigns of the City Manager.

(c) If any provision or portion of this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement shall be deemed severable and shall remain in full force and effect.

In WITNESS WHEREOF, the parties have executed this First Amended Employment Agreement on the dates set forth adjacent to their respective signatures, intending the same to be effective as of the ~~6th~~16th day of ~~January, 2018~~April, 2019. The parties agree that signatures obtained via electronic means are sufficient and binding for this Agreement.

CITY OF LOUISVILLE

CITY MANAGER

Robert P. Muckle, Mayor

Heather A. Balsler,
City Manager

Date: _____

ATTEST:

Meredyth Muth, City Clerk
Date: _____

APPROVED AS TO FORM:

| [Light + Kelly, P.C. PC](#)
City Attorney