

April 15, 2004

04-125

APPROVAL OF CONTRACT FOR DR. PRESTON  
PULLIAMS AS DISTRICT PRESIDENT OF  
PORTLAND COMMUNITY COLLEGE

PREPARED BY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Bob Palmer, Board Chair

REPORT: The Chairperson of the Board recommends adoption of the following resolution:

The Board has conducted a national search to find a permanent replacement for Interim President, Dr. Gerard "Jerry" Berger.

Dr. Preston Pulliams has exhibited outstanding talents in academic leadership, community partnerships, marketing and administration.

RECOMMENDATION: That the Board of Directors retain the services of Dr. Pulliams as president of Portland Community College beginning May 24, 2004. That the Board execute an employment contract with Dr. Pulliams with the following terms: the contract shall be for three years, with a base salary of \$170,000 through June 30, 2005; salary for subsequent years to be determined by negotiation between the President and the Board; an automobile allowance of \$7,200 annually; general expense allowance of \$12,000 annually; and a housing allowance of \$18,000 annually. The College shall provide a supplemental term life insurance policy of \$350,000. The President shall be entitled to other benefits available to other College Administrative staff as approved by the Board and provided in the contract.

**EMPLOYMENT CONTRACT  
BETWEEN  
DR. PRESTON PULLIAMS  
AND  
THE GOVERNING BOARD OF  
PORTLAND COMMUNITY COLLEGE DISTRICT**

THIS CONTRACT, made and entered into this 15<sup>th</sup> day of April, 2004, between Portland Community College District, hereinafter referred to as COLLEGE, and Dr. Preston Pulliams, hereinafter referred to as PRESIDENT.

WITNESSETH:

WHEREAS, PRESIDENT is desirous of serving as the chief executive officer of COLLEGE and performing all duties required by that office; and

WHEREAS, the COLLEGE is desirous of securing a PRESIDENT to supervise and direct the COLLEGE and its educational program under the general supervision of the COLLEGE'S Board of Directors; and,

WHEREAS, the COLLEGE and PRESIDENT believe that a written Employment Contract is necessary to describe specifically their relationship and to serve as the basis of effective communication between them as they fulfill their governance and administrative functions in the operation of the educational program of the COLLEGE;

NOW THEREFORE, in consideration of the mutual promises contained herein, the COLLEGE hereby employs PRESIDENT, and the PRESIDENT hereby accepts such employment upon the terms and conditions following:

1. **TERM.** The COLLEGE hereby employs the PRESIDENT beginning on the 24<sup>th</sup> day of May, 2004 and terminating on the 30<sup>th</sup> day of June, 2007 ("Termination Date"), subject to earlier termination during the term as provided in Section 13 below. Unless either party delivers a notice of non-renewal to the other party on or before June 30, 2005 the Termination Date of this Contract shall be extended until June 30, 2008 subject again to the termination provisions of Section 13. Thereafter, the Contract shall be subject to further extensions for an additional year unless a notice of non-renewal is delivered on or before June 30 of the first year of the Contract term. The terms and conditions of the PRESIDENT'S employment shall remain the same throughout the extended term of the Contract, unless the terms and conditions are amended by mutual agreement of the PRESIDENT and the COLLEGE.
2. **SALARY.** The PRESIDENT shall be paid a salary at the annualized rate of \$170,000 for the period from May 24, 2004 through June 30, 2005.

The PRESIDENT'S annual salary will be paid in equal monthly installments in accordance with the schedule of payment to the administrative staff of the COLLEGE.

The PRESIDENT'S annual salary beginning July 1, 2005, and for subsequent years of this Contract will be determined by negotiation between the Board and the PRESIDENT completed no later than June 30 of each year. Adjustments in salary will be in the form of a Board resolution and a written acceptance thereof by PRESIDENT filed in the official records of the COLLEGE. The annual salary increase will be at least equivalent to the average rate of increase granted the administrative staff of the COLLEGE, and shall not result in an annual salary rate which is lower than the rate for the immediately preceding year.

3. **PRESIDENT AND BOARD RESPONSIBILITY.** The PRESIDENT shall be the chief executive officer of the COLLEGE. As such, the PRESIDENT shall have the primary responsibility for execution of Board policy, whereas the Board shall retain the primary responsibility for formulating and adopting that policy.
4. **DUTIES.** As chief executive officer of the COLLEGE, the PRESIDENT shall perform the duties of PRESIDENT that are consistent with Board policies as currently defined or as hereafter may be defined by the Board, it being specifically understood that the District reserves the right to modify or change the duties of the PRESIDENT from time to time.

The PRESIDENT shall devote full time, skill, labor and attention to the operation of the COLLEGE. The PRESIDENT shall have responsibility consistent with Board policy to organize, reorganize and arrange the administrative staff, including instruction and business affairs, which in his judgment best serves the COLLEGE. The PRESIDENT shall have the responsibility for all personnel matters, including selection, assignment, transfer and termination subject to Board approval and consistent with Board policy on Personnel Standards and Practices.

The PRESIDENT shall:

- A. periodically evaluate all COLLEGE employees as provided for by Board policy;
  - B. establish and maintain an appropriate community relations program;
  - C. endeavor to maintain and improve his professional competence by all reasonable means, including subscribing to and reading appropriate periodicals, joining appropriate professional associations and participating in activities of such associations; and
  - D. be entitled to:
    - (1) present his recommendation to the Board on any subject under consideration by Board prior to action taken on the subject by the Board;
    - (2) attend each meeting of the Board, unless excused by the Board; and
    - (3) serve as an *ex officio* member of each committee established by the Board.
5. **PROFESSIONAL GROWTH OF PRESIDENT.** The COLLEGE encourages the continuing professional growth of the PRESIDENT through participation, as he might decide in light of the duties of the PRESIDENT, in:
    - A. the operations, programs and other activities conducted or sponsored by local, state and national associations;
    - B. seminars and courses offered by public or private educational institutions; and
    - C. informational meetings with other persons whose particular skills or backgrounds would serve to improve the capacity of the PRESIDENT to perform his professional responsibilities for the COLLEGE.

In its encouragement, the COLLEGE shall permit seven (7) days of release/renewal time for the PRESIDENT as he deems appropriate to attend to such matters and the COLLEGE shall pay for the necessary membership, tuition, travel and subsistence expenses (subject to appropriate documentation and at rates consistent with COLLEGE policy). Such professional growth expenses shall be limited to amounts budgeted for that purpose in the PRESIDENT'S budget. The PRESIDENT will prepare, no later than July 31 of each year, and share with the Board Chair, a tentative calendar, indicating planned travel and vacation time, and will alert the Chair to any subsequent changes. The Board shall be notified in advance of any national travel planned. The PRESIDENT shall report to the Board on his activities upon return to the COLLEGE.

6. **EVALUATION.** During July of each fiscal year, the Board will establish professional goals for the PRESIDENT and goals for the COLLEGE. The PRESIDENT will submit his recommended goals to the Board and the Board and PRESIDENT will confer about them before final adoption by the Board. The goals will be established by resolution at a public meeting. Members of the Board will be given an opportunity to comment on proposed goals prior to adoption by the Board. Annually, before the Board's evaluation meeting, PRESIDENT will submit to the Board, in writing, a summary of the PRESIDENT'S achievements and performance related to his professional goals and the COLLEGE goals. By June 30 of each fiscal year, the Board and the PRESIDENT shall meet in closed executive session for the purpose of evaluation of the performance of the PRESIDENT. The Board may discuss the PRESIDENT'S performance in executive session prior to meeting with the PRESIDENT. The PRESIDENT expressly waives any right he or she may have under ORS 192.660(1)(c) to request the meeting be held in open session. The PRESIDENT shall be evaluated on the job performance, the PRESIDENT'S professional goals set by the Board and the PRESIDENT, and achievement of the COLLEGE'S goals.
7. **PROFESSIONAL ACTIVITIES.** With prior approval of the Board, the PRESIDENT may undertake consultative work, speaking engagements, writing and other professional activities for honoraria and expenses, provided such activities do not interfere with the PRESIDENT'S normal duties.
8. **WORK YEAR/VACATION.** The PRESIDENT shall be required to render full and regular service to the COLLEGE for the entire period covered by this Contract, except that he shall be entitled to 22 days vacation annually which shall be accrued in accordance with College policy for the administrative staff, in addition to the following holidays: Independence Day, Labor Day, Veterans Day, Thanksgiving Day and the Friday after Thanksgiving Day, Christmas Eve, Christmas Day, the day following Christmas Day, New Year's Day, Martin Luther King Jr.'s birthday and Memorial Day. Any time off taken during spring or summer break periods must be counted among the 22 days of vacation.

In the event of termination or expiration of this Contract, the PRESIDENT shall be compensated for unused accrued vacation and personal holiday time at the salary rate effective at the time of the termination or expiration of this Contract. Vacation accrual shall be subject to the same annual cap (250 hours) as all other administrative staff of the COLLEGE.

9. **FRINGE BENEFITS.** The PRESIDENT shall be entitled to participate in all the benefits applicable to the most senior administrative employees as are incident to their employment relationship with the COLLEGE, including but not limited to, illness benefits, vacation, leaves, medical and other forms of insurance protection, retirement, tax-sheltered annuities and other administrative employee benefits. All such benefits are taxed in accordance with applicable state and federal regulations unless otherwise specified. Statements in this agreement as to the taxability of benefits indicate how the COLLEGE will treat the benefits for purposes of accounting and payroll and are not intended as personal income tax advice to the PRESIDENT. The PRESIDENT should consult his or her personal tax advisor or legal counsel for such advice.

- A. PERS: The COLLEGE shall pay the employer's contribution to the Oregon Public Service Retirement Plan (OPSRP) as required by law and shall "pick up" the 6% employee contribution to OPSRP.
- B. SUPPLEMENTAL LIFE INSURANCE: The COLLEGE shall provide and pay the premiums required for a policy of term life insurance on the life of the PRESIDENT, in the amount of at least \$350,000 payable to such members of the PRESIDENT'S family as he may designate as beneficiaries. A portion of the premium payment may be subject to taxation in accordance with the Internal Revenue Code.
- C. HOUSING ALLOWANCE: The COLLEGE will pay to the PRESIDENT a housing allowance of \$1,500 per month.
- D. FINANCIAL PLANNING ASSISTANCE: The COLLEGE will pay to the PRESIDENT an annual benefit of \$1,200 for financial planning advisory services.
- E. CELLULAR PHONE ALLOWANCE: The COLLEGE will pay the PRESIDENT a monthly allowance for a cellular phone service plan of his choice up to a maximum monthly plan cost of \$75. The PRESIDENT may use his or her COLLEGE provided cell phone for personal as well as business-related phone calls.
- F. RELOCATION ALLOWANCE: The College will pay to the PRESIDENT the amount of \$15,000 or actual moving expenses up to a maximum of \$25,000 to defray expenses associated with relocating to Oregon.

**10. EXPENSES.** The COLLEGE will provide:

- A. AUTOMOBILE ALLOWANCE: The COLLEGE shall provide an automobile allowance of \$600 per month to cover the costs of vehicle maintenance, operation, insurance, and depreciation.
- B. GENERAL EXPENSE ALLOWANCE: The COLLEGE will provide an allowance for expenses incurred in the routine performance of COLLEGE business in the amount of \$12,000 to be paid in equal monthly payments.
- C. CEO MEMBERSHIP: Subject to the recommendation of the PRESIDENT, and subject to the availability of funds, the COLLEGE will pay the membership fees and annual dues to membership in one (1) local organization of senior civic/business/education leaders for the purpose of advancing the COLLEGE'S objectives for fundraising, networking, and other relevant COLLEGE interests.

**11. LENGTH OF SERVICE INCENTIVE.** The COLLEGE shall establish and make annual payments to an annuity/TSA or other account as may be approved by legal counsel on behalf of the PRESIDENT in accordance with the following schedule. The full accrued value of the account plus accumulated interest earnings, if any, shall vest in the PRESIDENT upon completion of five full years of employment.

Schedule of contributions: Year 1: \$10,000; Year 2: \$15,000; Year 3: \$20,000; Year 4: \$25,000; Year 5: \$30,000. If this contract is not renewed prior to the date of vesting, or is terminated pursuant to Section 13 of this Agreement prior to five full years of employment, then all amounts accrued shall be payable to COLLEGE.

**12. TERMINATION OF EMPLOYMENT CONTRACT.** This Contract may be terminated prior to its Termination Date by any of the following methods.

A. *Termination without PRESIDENT'S concurrence (Termination for Cause).* In the event the COLLEGE intends to act to terminate this Employment Contract for cause prior to its Termination Date without the PRESIDENT'S written concurrence, the PRESIDENT shall be entitled to a due process hearing before the Board prior to the occurrence of any purported act of termination. Due process shall include at least the following:

- (1) A written statement of the grounds for termination is served on the PRESIDENT;
- (2) The PRESIDENT has been given the opportunity to appear before the Board in executive session or open session, at the PRESIDENT'S option, to respond to the statement of the grounds for termination;
- (3) The meeting with the Board will not occur any earlier than 15 working days and no later than 45 working days after the receipt of the written statement of the grounds of termination;
- (4) The PRESIDENT will be placed on paid leave from the date of receipt of the written statement of the grounds for termination until the date of receipt of the written notice of the Board's decision following the meeting.
- (5) The PRESIDENT may be represented at the Board meeting by legal counsel of his choice;
- (6) The PRESIDENT shall be notified of the Board's decision after that meeting in writing;
- (7) The Board meeting and related events will be confidential to the extent permitted by Oregon public records and public meeting laws, unless the PRESIDENT waives that confidentiality in writing.

For the purpose of this paragraph, 'cause' for termination means includes, but is not limited to, breach of this Agreement, violation of Board policy, unacceptable job performance, misconduct, or other conduct prejudicial to the mission of COLLEGE. This provision does not constitute a waiver of any rights the COLLEGE or the PRESIDENT may have to enforce this Employment Contract in the courts under contract or other applicable law.

- B. *No cause termination of Contract.* The COLLEGE may discharge PRESIDENT as PRESIDENT and terminate this Contract without any showing of cause upon ten (10) days' written notice and the tendering of six (6) months of the PRESIDENT'S salary (only) or the balance of the salary payments (only) due under this Contract, whichever is less. Severance payable under this section will be reduced by base salary earned by the PRESIDENT during the severance period from comparable employment; however, severance payable under this section will not be less than three (3) months.
- C. *Termination by the PRESIDENT.* The PRESIDENT may terminate this contract upon sixty (60) days advance written notice to the Board chair. The PRESIDENT will be paid for days actually worked and holidays that occur prior to contract termination. At termination, PRESIDENT will be paid in a single lump sum for accrued vacation and personal holiday time, which payment will be taxable income to the PRESIDENT.
- D. *Candidacy for Employment.* If the President becomes a candidate for employment outside of the COLLEGE he or she shall immediately notify the Board chair.

E. *Disability.* Should the PRESIDENT be unable to perform the duties of this position because of illness, accident or other causes, the COLLEGE may at its option, terminate this Employment Contract, whereupon the respective duties, rights and obligations of the parties shall terminate. This provision, however, does not affect the PRESIDENT'S entitlement to receive accrued benefits under any employee benefit plan, including disability or retirement benefits.

**13. RENEWAL OF EMPLOYMENT CONTRACT.** The parties may agree to enter into a new Contract at the conclusion of this one. The decision to enter into a subsequent Contract will be made no later than two (2) years before the expiration of this Contract.

**14. PROFESSIONAL LIABILITY.** The COLLEGE shall hold harmless and indemnify PRESIDENT from any and all demands, claims, suits and legal proceedings brought against the PRESIDENT in his individual capacity or in his official capacity as agent and employee of the COLLEGE, provided the incident arose while the PRESIDENT was acting within the scope of employment. In no case will individual Board members be considered personally liable for indemnifying the PRESIDENT against such demands, claims, suits, actions and legal proceedings.

If in the good faith opinion of the PRESIDENT, conflict exists regarding legal defenses to a third-party claim against the PRESIDENT and COLLEGE (i.e., pressing the defense of one party would tend to injure the other party), the PRESIDENT may engage separate counsel, and the COLLEGE shall indemnify the PRESIDENT for the costs of such counsel, subject to the same limitations, provisions and exceptions set forth above. The COLLEGE shall not, however, be required to pay the costs of any legal proceeding in the event the COLLEGE and the PRESIDENT have adverse interests in any litigation.

**15. CRITICISMS/COMPLAINTS.** The Board, individually and collectively, agrees that any criticism or complaint about an employee or program of the COLLEGE that the Board is made aware of, shall be promptly forwarded to the PRESIDENT for investigation and resolution.

**16. MEDICAL EXAMINATION.** Due to the unique nature of the professional duties of PRESIDENT, the COLLEGE shall, at its expense, provide for a medical examination of the PRESIDENT not less often than once every two years and not more often than once every year. The PRESIDENT shall direct the physician to send a report of the examination to the Board Chair, noting anything that, in the physician's professional opinion, may interfere with the PRESIDENT'S job performance. Such report shall be treated as confidential personal information in accordance with Oregon's Public Records Law.

**17. BREACH OF CONTRACT.** Failure by the PRESIDENT to fulfill the obligations set forth in this Contract shall be considered a breach of this Contract and will terminate the Contract immediately.

**18. APPLICABLE LAW.** This Contract is subject to all applicable laws of the state of Oregon.

**19. NOTICES.** Any notices that are required under the terms of this Contract shall be first class mailed or hand-delivered to the parties at the following addresses:

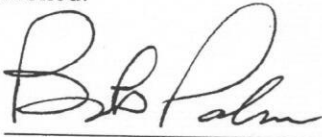
COLLEGE  
Board Chair  
Portland Community College  
Post Office Box 19000  
Portland, Oregon 97280

PRESIDENT  
Dr. Preston Pulliams

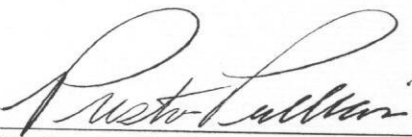
**20. MODIFICATION.** The parties may, during the term of this Contract, mutually agree to modify any of its terms. Any modifications will be in writing, signed by both parties and attached to this document.

21. **CONSTRUCTION.** Each party is represented by its counsel, who has reviewed and approved the terms of this Agreement. The rule of construction that an agreement is to be construed against the drafting party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.
22. **INTEGRATION.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement. The Parties intend that this Agreement be complete and not be subject to any claim of mistake of fact or law. This Agreement constitutes the complete and exclusive integration of the Parties' agreements. There are no promises, statements, covenants, representations, or warranties, express or implied, oral or written, about the subject matter of this Agreement that are not contained in this Agreement.

IN WITNESS WHEREOF, the COLLEGE pursuant to the authority of its Board of Directors has caused two originals of this Contract to be signed in the name of the COLLEGE by the Chair of the Board of Directors, and the PRESIDENT has hereunto affixed his hand and seal the day and year herein above-mentioned.

By   
Bob Palmer  
Chair, Board of Directors

Date 4/15/2004

By   
Dr. Preston Pulliams, President

Date 4/15/2004