

ICMA Sample Employee Agreement

This Agreement, made and entered into this _____ day of _____, 20____, by and between the [local government] of _____, State of _____, a municipal corporation, hereinafter called, "Employer," as a party of the first, and _____ [name], as party of the second part, both of who understand as follows:

WITNESSETH:

Whereas, Employer desires to employ the services of said _____ [name] as _____ [here recite appropriate charter, statute, or ordinance sections]; and WHEREAS, it is the desire of the governing board, hereafter called "Council," to provide certain benefits, to establish certain conditions of employment, and to set working conditions of said Employee; and

WHEREAS, Employee desires to accept employment as _____ of said [local government]; and

WHEREAS, The parties acknowledge that Employee is a member of the International City/County Management Association (ICMA) and that Employee is subject to the ICMA Code of Ethics;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1: Duties

Employer hereby agrees to employ said _____ [name] as _____ of said Employer to perform functions and duties specified in said _____ [legal reference] of the [local government] charter and by said _____ [legal reference] of said [local government] code and to perform other legally permissible and proper duties and functions as the Council shall from time to time assign.

Section 2: Term

A. Employee agrees to remain in the exclusive employ of employer until _____, 20____, and neither to accept other employment nor to become employed by any other employer until said termination date, unless said termination date is affected as hereinafter provided.

B. In the event written notice is not given by either party to this agreement to the other _____ [minimum of 90 days is recommended] prior to the termination date as herein above provided, this agreement shall be extended on the same terms and conditions as herein provided, all for an additional period of two years. Said agreement shall continue thereafter for two-year periods unless either party hereto gives _____ days [minimum of 90 days is recommended] written notice to the other party that the party does not wish to extend this agreement.

C. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 4, paragraph A and B, of this agreement.

D. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provision set forth in Section 5 of this agreement.

Section 3: Suspension

Employer may suspend the Employee with full pay and benefits at any time during the term of this agreement, but only if

- (1) a majority of the Council and Employee agree, or
- (2) after a public hearing a majority of the Council votes to suspend Employee, for just cause provided, however, that Employee shall have been given written notice setting forth any charges at least 10 days prior to such hearing by the Council member bringing such charges.

Section 4: Termination and Severance Pay

A. In the event Employee is terminated by the Council before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform his/her duties under this agreement, then in that event Employer agrees to pay Employee lump sum cash payment equal to _____ months' [6 months is recommended] aggregate salary, benefits, and deferred compensation. Employee shall also be compensated for all earned sick leave, vacation, holidays, compensatory time, and other accrued benefits to date.

In the event the Employee is terminated for cause or for conviction, then, in that event, employer shall have no obligation to pay the aggregate severance sum designated in the above paragraph.

B. In the event Employer at any time during the term of this agreement reduces the salary or other financial benefits of Employee in a greater percentage than applicable across-the-board reduction for all employees of Employer, or in the event Employer refuses, following written notice, to comply with any other provision benefiting Employee herein, or the Employee resigns following a suggestion, whether formal or informal, by the Council that he/she resign, then, in that event Employee may, at his/her option, be deemed to be "terminated" at the date of such reduction or such refusal to comply within the meaning and context of the herein severance pay provision.

C. If Employee is terminated, Employer agrees to provide for out placement services to Employee at its expense, should Employee desire them, in an amount not to exceed a total of \$_____. [\$5,000 is suggested amount.]

Section 5: Resignation

In the event Employee voluntarily resigns his/her position with Employer before expiration of the aforesaid term of his/ her employment, then Employee shall give Employer _____ months [2 to 3 months is recommended] noticed in advance, unless the parties agree otherwise.

Section 6: Disability

If Employee is permanently disabled or is otherwise unable to perform his/her duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued sick leave, Employer shall have the option to terminate agreement, subject to the severance pay requirements of Section 4, paragraph A.

Section 7: Salary

Employer agrees to pay Employee for his/her services rendered pursuant hereto an annual base salary of \$_____, payable in installments at the same time as the other management employees of the Employer are paid. In addition, Employer agrees to increase said base salary and/or benefits of Employee in such amounts and to such extent as the Council may determine that it is desirable to do so on the basis of an annual salary review of said Employee made at the same time as similar consideration is given other employees generally.

Section 8: Performance Evaluation

A. The Council shall review and evaluate the performance of the employee at least once annually in advance of the adoption of the annual operating budget. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee. Said criteria may be added to or deleted from as the Council may from time to time determine in consultation with the Employee. Further, the _____ [chief elected officer] shall provide the Employee with a summary written statement of the findings of the Council and provide an adequate opportunity for the Employee to discuss his/her evaluation with the Council.

B. Annually, the Council and Employee shall define such goals and performance objectives that they determine necessary for the proper operation of the [local government] and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

C. In effecting the provisions of this Section, The Council and Employee mutually agree to abide by the provisions of applicable law.

Section 9: Hours of Work

It is recognized that Employee must devote a great deal of time outside the normal office hours to business of the Employer, and to that end Employee will be allowed to take compensatory time off as he/she shall deem appropriate during said normal office hours.

Section 10: Outside Activities

Employee shall not spend more than 10 hours per week in teaching, consulting or other non-Employer-connected business without the prior approval of the Council.

Section 11: Moving and Relocation Expenses

Employee shall be reimbursed, or Employer may pay directly, for the expenses of packing and moving Employee, Employee’s family, and Employee’s personal property from _____ to [local government] with said payment or reimbursement not to exceed the sum of \$_____, which shall include unpacking, any storage costs necessary, and insurance charges.

Section 12: Home Sale and Purchase Expenses

A. Employee shall be reimbursed for the direct costs associated with the sale of his/her existing personal residence, said reimbursement being limited to real estate agents’ fees, and other closing costs that are directly associated with the sale of the house. Said reimbursement should not exceed the sum of \$ _____.

B. Employee shall also be reimbursed for the costs incidental to buying a house within the [local government], including legal services, title insurance, and other costs directly associated with the purchase of the house, said reimbursement not to exceed the sum of \$_____.

C. Employer shall provide Employee with a _____ [fixed-interest, variable-interest, interest-only] loan to purchase a house. The amount of the loan shall not exceed \$_____.

D. Employer shall provide for temporary housing for Employee, including house-hunting trips as additional compensation, not to exceed \$ _____.

Section 13: Automobile

Employee’s duties require that he/she shall have the exclusive and unrestricted use at all times during his/her employment with Employer of an automobile provided to him/her by the Employer. Employer shall be responsible for paying for liability, property damage, and comprehensive insurance, and for the purchase, operation, maintenance, repair, and regular replacement of said automobile.

Section 14: Vacation, Sick, and Military Leave

A. As an inducement to Employee to become _____ [job title], at signature hereof. Employee shall be credited with _____ days [number of days granted other employees in one year is recommended] of vacation leave and _____ days [number of days granted other employees in one year is recommended] of sick leave. Thereafter, Employee shall accrue, and have credited to his/her personal account, vacation and sick leave at the same rate as other general employees of Employer.

B. Employee shall be entitled to military reserve leave time pursuant to state law and [local government] policy.

Section 15: Disability, Health, and Life Insurance

A. Employer agrees to put into force and to make required premium payments for Employee for insurance policies for life, accident, sickness, disability income benefits, major medical, and dependent's coverage group insurance covering Employee and his dependents.

B. Employer agrees to purchase and to pay the required premiums on whole life insurance policies equal in amount to _____ times the annual gross salary of Employee, with the beneficiary named by Employee to receive one-half of any benefits paid, Employer the other one-half.

C. Employer agrees to provide hospitalization, surgical and comprehensive medical insurance for Employee and his dependents and to pay the premiums thereon equal to that which is provided all other employees of Employer or, in the event no such plan exists, to provide same for Employee.

D. Employer shall provide travel insurance for Employee while he/she is traveling on Employer's business, with Employee to name beneficiary thereof.

E. Employee agrees to submit once per calendar year to a complete physical examination by a qualified physician selected by the Employer, the cost of which shall be paid by the Employer.

Section 16: Retirement

Employer agrees to execute all necessary agreements provided by ICMA Retirement Corporation [ICMA-RC] for Employer's [continued] participation in said ICMA-RC retirement plan and, in addition to the base salary paid by the Employer to Employee, Employer agrees to pay an amount equal to _____ percent of Employee's base salary into the ICMA-RC on Employee's behalf, in equal proportionate amount each pay period, and to transfer ownership to succeeding employers upon Employee's resignation or termination.. The parties shall fully disclose to each other the financial impact of any amendment to the terms of Employee's retirement benefit.

Section 17: Dues and Subscriptions

Employer agrees to budget for and to pay for professional dues and subscriptions of Employee necessary for his/her continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for his/her continued professional participation growth, and advancement, and for the good of the Employer.

Section 18: Professional Development

A. Employer hereby agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the state league of municipalities, and such other national, regional, state, and local governmental groups and committees thereof which Employee serves as a member.

B. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for his/her professional development and for the good of the Employer.

Section 19: Personal Computer Purchase

Employer hereby agrees to purchase a personal computer and software at a cost not to exceed \$ _____. The Employer provides the money for the total cost and the Employee reimburses the amount in excess of \$ _____ over a one-year period. Employee must work for the Employer for one full year to qualify for the \$ _____ subsidy.

Section 20: General Expenses

Employer recognizes that certain expenses of a non-personal and generally job-affiliate nature are incurred by Employee, and hereby agrees to reimburse or to pay said general expenses, up to an amount not to exceed \$ _____ per month, and the finance director is hereby authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

Section 21: Civic Club Membership

Employer recognizes the desirability of representation in and before local civic and other organizations, and Employee is authorized to become a member of _____ such civic clubs or organizations, for which Employer shall pay all expenses. Employee shall report to the Employer on each membership that he has taken out at Employer's expense.

Section 22: Indemnification

In addition to that required under state and local law, Employer shall defend, save harmless, and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as [job title]. Employer will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

Section 23: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 24: Other Terms and Conditions of Employment

A. The Council, in consultation with the manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement, the [local government] charter or any other law.

B. All provisions of the [local government] charter and code, and regulations and rules of the Employer relating to vacation and sick leave, retirement and pension system contributions, holidays, and other benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to other employees of Employer, in addition to said benefits enumerated specifically for the benefit of Employee except as herein provided.

C. Employee shall be entitled to receive the same vacation and sick leave benefits as are accorded department heads, including provisions governing accrual and payment therefor on termination of employment.

Section 25: No Reduction of Benefits

Employer shall not at any time during the term of this agreement reduce the salary, compensation or other financial benefits of Employee, except to the degree of such a reduction across-the-board for all employees of the Employer.

Section 26: Notices

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- (1) EMPLOYER: [Title and address of relevant official (mayor, clerk, etc.)]
- (2) EMPLOYEE: [Name and address of Employee]

Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 27: General Provisions

- A. The text herein shall constitute the entire agreement between the parties.
- B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- C. This agreement shall become effective commencing _____, 20__.
- D. If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

IN WITNESS WHEREOF, the [local government] of _____ has caused this agreement to be signed and executed in its behalf by its [chief elected officer], and duly attested by its [local government] clerk, and the Employee has signed and executed this agreement, both in duplicate, the day and year first above written.

[chief elected officer] of _____

State of _____

ATTEST:

[local government] Clerk
(Seal)
APPROVED AS TO FORM

[local government] Attorney

Employee