

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 2nd day of April, 2018 and between the CITY OF PRIOR LAKE, a political subdivision of the State of Minnesota ("City") and Francis F. Boyles, III ("Manager").

IN CONSIDERATION of the terms and conditions contained herein, the parties agree as follows:

1. **Employment.** During the term of this Agreement, the Manager shall serve as City Manager of the City and shall assume and perform, in a conscientious and diligent manner at all times, all of the duties and responsibilities incidental to such a position as defined herein and as are reasonably assigned to him from time to time by the City Council. Manager shall use his best efforts in the performance of his duties and shall spend substantially his full time in connection therewith except in the event of illness, disability, vacation or other absence permitted by the City. Manager shall work such hours as are reasonably assigned to him by the City Council from time to time.
2. **Term.** This Agreement shall be effective as of January 1, 2018 except as herein specified and shall continue unless or until terminated as provided in Section 6 below or until such time as the Manager voluntarily terminates employment by thirty (30) days written notice. Manager shall remain in the exclusive employment of the City during the term of this Agreement. For the purposes of this section, "exclusive employment" shall exclude teaching, writing, consulting, speaking or military reserve service undertaken by Manager during his non-work hours.
3. **Compensation.** As compensation for services rendered the Manager shall receive the following:
 - 3.1. **Base Salary Rate:** January 1, 2018 through December 31, 2018: \$135,793 in equal installments at the same time as the City pays its City employees, subject to applicable taxes. In subsequent contract years, Manager shall receive the same cost-of-living salary adjustment as the City's other non-bargaining unit employees.
 - 3.2 **Tenure Adjustment:** The City shall annually remit a sum equivalent to \$3,000 per year for each year in excess of ten years that the Manager has worked for the City in an amount not to exceed \$22,500. The payment shall be paid as wages at the same time as the City pays its employees, subject to all applicable taxes.
4. **Benefits.** Manager shall receive the following benefits at no cost to him:
 - (a) **Vacation.** The Manager's paid vacation accrual shall be 25 days (in addition to the paid public holidays as provided for other City department heads). Carryover of unused vacation time from one (1) contract year to another shall not exceed a maximum accrual of 450 hours. Any unused vacation time in excess of the maximum accrual shall be forfeited at the end of the contract year. Manager shall endeavor to spend down any unused accrued vacation prior to September 1, 2019. Any vacation balance accrual remaining as of September 1, 2019 shall be deposited into the Manager's retirement health savings plan per the plan agreement.
 - (b) **Sick Days.** Paid sick days and sick leave payment plan (including initial thirty (30) day bank) in accordance with City policy for department heads.

- (c) **Insurance.** Medical, dental and Retirement Health Savings Plan contributions equivalent to those contributions made for other department head level City employees.
 - (d) **Life Insurance.** In lieu of term life insurance coverage the City shall pay an annual contribution of \$1,800 to a universal life insurance policy owned by the Manager.
 - (e) **Retirement Plan Contribution.** The City shall contribute a portion of the Manager's base salary to the Public Employees Retirement Association of Minnesota ("PERA") in an amount mandated by PERA for the coordinated plan.
 - (f) **Car Allowance.** \$450.00 car allowance per month, plus mobile cellular phone with monthly fees paid for City-related activities.
 - (g) **Professional Development.** Dues and fees for the following, provided that such items are reasonably necessary to the professional development of the Manager and subject to City Council approval in the budget process or otherwise:
 - Licenses, journals, publications;
 - Seminars, conferences and short courses within the State of Minnesota and one seminar/conference per year outside the State of Minnesota;
 - Membership in professional associations and service organizations.
 - (h) **Reimbursement of Expenses.** Reimbursement of reasonable and necessary meals, travel (except for travel using Manager's vehicle), lodging, and entertainment expenses, properly document and actually incurred by Manager in connection with the affairs of the City or in connection with the professional development described in paragraph 4(g) above.
 - (i) **Other.** Manager shall also be eligible for any other benefit plans or programs available to department heads now or in the future.
5. **Performance Evaluation.** The City Council may, at its discretion, conduct quarterly performance reviews with the City Manager. The City Council will conduct an annual performance appraisal and salary review during the first quarter of the following year. The City Manager Evaluation Committee, comprised of two Council Members, will meet prior to the performance appraisal to formulate salary and other related recommendations for consideration during an executive session of the City Council.
6. **Termination of Employment.** Manager is an at will employee of the City. As such, he may be terminated by the City Council in its sole discretion at any time, with or without cause. Upon termination of Manager's employment and subject to the severance provisions of Section 7 below, all rights and obligations under this Agreement shall cease at that time, other than those which have accrued prior thereto. This Agreement shall terminate immediately upon death of the Manager, fraud, theft, gross negligence or gross misconduct of Manager of his duties, or conviction of a felony or a gross misdemeanor.

7. **Severance**

7.1. **Termination By the City.** In the event his Agreement is terminated by the City in accordance with Section 6 above, unless termination is due to Manager's conviction of a felony or a gross misdemeanor, or due to fraud, theft, gross negligence or gross misconduct of Manager, the City shall provide Manager with a minimum of thirty (30) days advance written notice and severance pay as set out in subparagraph (a) below. If such termination is due to Manager's conviction of a felony or gross misdemeanor, or due to fraud, theft, gross negligence or gross misconduct of Manager, Manager shall forfeit any right to advance written notice or severance pay.

(a) **Payment.**

1. **Compensation.** The City shall continue to pay Manager an amount equivalent to his then existing compensation as set out in Section 3 herein, subject to all applicable taxes and deductions, for six (6) months following the effective date of Manager's termination.
2. **Benefits.** During the period set forth in paragraph 7(a) above, the City will continue to make the City paid contribution toward payment of Manager's medical, dental and retirement health savings as set out in paragraph 4(c) herein.
3. **Vacation and sick pay.** Upon notice of voluntary or involuntary termination of employment, all accrued vacation shall extend to the final date of employment as determined by the City Manager and be paid accordingly. No additional accrual shall occur during this time period. 50% of vacation balance accrual shall be taken in cash and 50% shall be deposited into the Manager's retirement health savings plan per the plan agreement. All eligible sick leave shall be paid in the Manager's retirement health savings plan as per plan agreement.

7.2 **By the Manager.** If Manager submits notice of his voluntary retirement to the City on or before August 1, 2018, and if Manager meets the following additional conditions, then the Manager shall be eligible for Payment in accordance with paragraph 7.2(a), below:

- Manager continues to perform his duties under this contract through March 1, 2019.
- Manager is not, during the period through March 1, 2019, terminated due to conviction of a felony or a gross misdemeanor, or due to fraud, theft, gross negligence or gross misconduct of Manager.
- From March 1, 2019, through September 1, 2019, Manager makes himself available for City service. During this period, he will not be present in the office unless requested to be so by the City Council or City staff. He shall, however, be available within one business day or less to respond to requests for information by telephone, email, text, or in-person meetings, as the City may require.

(a) **Payment.**

1. **Compensation.** During the period from March 1, 2019 to September 1, 2019, the City shall continue to pay Manager an amount equivalent to his then existing salary as set out in Section 3,

subject to all applicable taxes and deductions, so long as he continues to make himself available for City service as set forth above.

2. **Benefits.** During the period from March 1, 2019 to September 1, 2019, the City will continue to make the City paid contribution toward payment of Manager's medical, dental and retirement health savings as set out in paragraph 4(c) herein, and Manager shall remain eligible for all other benefits described in Section 4.
3. **Vacation and sick pay.** As set forth in paragraph 4(a), any vacation balance accrual remaining as of September 1, 2109 shall be deposited into the Manager's retirement health savings plan per the plan agreement. As of September 1, 2019, any eligible sick leave shall also be paid in the Manager's retirement health savings plan as per the plan agreement.
8. **Legality.** The parties covenant and agree that the provisions contained herein are reasonable and are not known or believed to be in violation of any federal or state law or regulation. In the event a court of competent jurisdiction finds any provision contained herein to be illegal or unenforceable, such a court may modify such provision to make it valid and enforceable. Such modification shall not affect the remainder of this Agreement which shall continue at all times to be valid and enforceable. No payment may be made under this Agreement in excess of the maximum amount permitted by applicable law.
9. **Interpretation.** This Agreement constitutes the entire agreement between the parties and supersedes any prior oral or written agreements between the parties. The Agreement can only be modified in writing and signed by both parties. This Agreement shall be interpreted in accordance with the laws of the State of Minnesota.
10. **Assignment.** The rights and obligations of the City to the Manager in this Agreement may not be transferred or assigned by the Manager.
11. **Arbitration.** Any controversy concerning a question of fact arising under this Agreement shall be determined by arbitration in accordance with the rules then in effect for the American Arbitration Association.

IN WITNESS WHEREOF, the parties have caused the execution of this Agreement the day and year first above written. This document excluding exhibits consists of four (4) pages.

CITY OF PRIOR LAKE

By: 

Kirt Briggs, Mayor / Date


Francis F. Boyles, III / Date