

## EMPLOYMENT AGREEMENT

THIS AGREEMENT effective on the 19 day of December, 2011 by and between the City of Florence, State of Colorado, a municipal corporation ("City"), and Michael Patterson ("Manager").

A. City has agreed to employ Manager as the City Manager for the City of Florence, Colorado, and

B. City and Manager wish to enter into a written employment contract for an indefinite term, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, the parties agree as follows:

### SECTION 1: DUTIES

1.1 City agrees to employ Manager to perform the functions and duties specified in the appropriate sections of the Florence Municipal Code; Title 31, Article 4, Part 2, C.R.S., as amended; and the job description attached to this Agreement as Exhibit "A"; and to perform other legally permissible and proper duties and functions as City shall from time-to-time assign to him, beginning January 16, 2012. Manager is to supervise in a competent and efficient manner the administrative affairs of City, subject to the policies of the City Council. The City of Florence Policy Manual shall not apply to Manager, except as specifically provided in this Agreement. This Agreement is the sole and entire contract between City and Manager, and the terms of Manager's employment shall be governed by this Agreement.

### SECTION 2: TERM

2.1 This Agreement shall commence effective January 16, 2012 and remain in effect unless terminated by City or Manager as hereinafter provided.

2.2 Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of City to terminate the services of Manager at any time, subject only to the provisions of Section 3 of this Agreement and Manager's statutory rights regarding termination set forth in Section 31-4-210, C.R.S., as amended.

2.3 City may terminate this Agreement by giving not less than seventy-five (75) days advance written notice of such termination to Manager. Manager may terminate this Agreement by giving not less than seventy-five (75) days advance, written notice to City. Manager may terminate the Agreement pursuant to this paragraph with or without cause.

### SECTION 3: TERMINATION AND SEVERANCE PAY

3.1 If employment of Manager is terminated by City, then City agrees to pay Manager through the date of termination.

3.2 Any termination of this Agreement by City must be by the majority vote of the full City Council and requires four votes for termination.

3.3 Nothing contained in this Agreement or the Policy Manual of City shall be construed as limiting the right of City to discharge or terminate Manager or the right of Manager to resign his position.

### SECTION 4: SALARY

4.1 City agrees to pay Manager the sum of \$62,000.00 per year for his services rendered pursuant to this Agreement, payable at the same intervals and in the same manner as employees of City. The monthly compensation to be paid to Manager shall not be increased or decreased except as provided in paragraph 4.2. Under no circumstances shall Manager be entitled to any compensatory time for hours worked in the performance of his duties pursuant to this Agreement.

4.2 On or about June 1, 2012, City shall review Manager's job performance and consider increasing his salary if City believes his performance warrants an increase. In addition, City shall review Manager's job performance annually in January of each year thereafter, and adjust his salary as the City Council deems appropriate.

### SECTION 5: PERFORMANCE EVALUATION

5.1 Other than the performance evaluations conducted pursuant to paragraph 4.2, Manager shall be evaluated at any other times City deems necessary or appropriate. Manager agrees to cooperate with the evaluation process and to provide City with any documentation or information which it may request in connection with the evaluation. The purpose of the evaluations shall be to determine that Manager's performance of his duties during the period preceding the evaluation was satisfactory to City and in compliance with the provisions of this Agreement.

5.2 Upon completion of the evaluation process, Manager will be given a copy of the evaluation report in the general form set forth in Exhibit "B" attached to this Agreement, or in such other form as may from time-to-time be adopted by City.

5.3 If the evaluation report indicates that Manager has not performed his duties satisfactorily during the period preceding the evaluation or has failed to comply with the provisions of this Agreement, Manager shall be so notified and may be placed on probationary status. If placed on probationary status, the continued employment of Manager may be made subject to such further conditions or corrective action plans as City may wish to impose to insure satisfactory performance of Manager's duties and future compliance with the requirements of this Agreement or City may elect to terminate this Agreement in accordance with the procedure set forth at C.R.S. 31-4-210 as amended.

## SECTION 6: HOURS OF WORK

6.1 Manager shall devote such time to the performance of his duties as is necessary to properly discharge those duties. In all cases of extended absence from the office, Manager shall advise City of the time and the intended duration of the intended absence. The required notice shall be in writing delivered to the City Clerk as far in advance of the anticipated absence as is reasonably possible under the circumstances. The Clerk shall provide the Mayor with a copy of all such notices. The notice shall also advise City of a telephone number at which Manager can be contacted during such periods of absence, or in the event of an emergency or other circumstance requiring Manager's participation.

6.2 Manager acknowledges that as an Administrative Employee who regularly directs the work of two or more employees in the management of City, he is not entitled to, nor will he receive, overtime compensation.

6.3 Manager agrees that his position as City Manager is his primary employment and specifically agrees that he will not engage in any conduct that would compromise or interfere with his ability to manage the affairs of City in an efficient and professional manner. Manager may engage in secondary employment provided that:

- a. the secondary employment is not in a managerial capacity with another governmental or quasi-governmental entity; and
- b. that in assuming said secondary employment, Manager does not place himself in a position of immediate conflict, or appearance of conflict, with his duties as City Manager or the interests of City; and
- c. that any business entity under the ownership or control of Manager may not contract with City for goods and services during the term of this Agreement, and for a period of one (1) year following the expiration or termination of this Agreement.

## SECTION 7: AUTOMOBILE

7.1 Manager shall be reimbursed for the use of his personal automobile for City business at the standard reimbursement rate designated by the Internal Revenue Service. Manager shall furnish City with written mileage logs of all miles traveled in his personal car for which he seeks reimbursement, indicating in the log the date of the travel, the total mileage, and the purpose of the trip. Manager shall, within ten (10) days of the date of this Agreement, provide City with proof of insurance on his personal vehicle, with coverage of not less than \$100,000/\$300,000, and shall keep such insurance in full force and effect at all times during his employment with City.

## SECTION 8: CELLULAR TELEPHONE

8.1 City shall provide Manager a Nextel/cell phone or similar communication device in connection with the business of City and the discharge of Manager's duties under this Agreement. City agrees to pay all charges associated with such use.

## SECTION 9: KEY EMPLOYEE/PROXIMITY TO CITY

9.1 Manager is a key employee of City as defined by the Ordinances of City with duties which require him to be in close proximity to his place of employment. Manager agrees that he shall locate his residence within 30 minutes drive time of the city limits of City, and that he shall maintain a residence within 30 minutes drive time of City at all times during his employment with City. The City Council strongly encourages the Manager to live within the limits of the City if at all possible.

## SECTION 10: DUES AND SUBSCRIPTIONS

10.1 City will pay the professional dues and subscriptions of Manager which are necessary for the continuation of Manager's full participation in those national, regional, state and local associations and organizations necessary or desirable for his continued professional participation, growth and advancement, and which are reasonably related to his employment by City. The determination of which dues and subscriptions are appropriate for payment pursuant to this section shall be within the sole discretion of City and the cost of such dues and subscriptions shall be included in the City budget.

## SECTION 11: PROFESSIONAL DEVELOPMENT

11.1 City agrees to pay for those seminars, conferences, workshops or related activities in which Manager participates where City has determined the same to be appropriate for the continued professional development of Manager, and which have been determined to be of benefit to City. Manager shall provide City with prior notice of such seminars, conferences, workshops or related activities in which he wishes to participate, including the cost of attendance and participation, (including room and board, if any). The determination of which activities shall be paid for by City shall be within the sole discretion of City and the cost of such activities shall be included in the City budget.

## SECTION 12: GENERAL EXPENSES

12.1 City may, from time-to-time, authorize a sum or sums of money which may be expended by Manager for certain non-personal, job related expenses to be incurred by Manager, without further prior approval. All sums expended by Manager pursuant to such authorization shall be fully documented by Manager, including statements of the amount and nature of the expense, the dates incurred, and the business purposes for which the expenses were incurred. A written report of such expenses shall be submitted by Manager on or before the tenth day of the month following any month in which such expenses have been incurred, accompanied by receipts, vouchers, statements, or personal affidavits supporting all such expenditures. All other expenses to be incurred by Manager shall be subject to prior approval by City, unless authorized by applicable provisions of the City Code.

## SECTION 13: MOVING EXPENSES

13.1 The City agrees to pay Manager a total of \$2,000.00 in moving expenses, \$500.00 payable upon execution of this Agreement, and \$1,500.00 after he has moved his family and household goods to City.

## SECTION 14: LEAVE IN GENERAL

14.1 Manager shall accrue vacation as any other employee pursuant to City's Personnel Policy Manual, except that he is allowed to carry over no more than 80 vacation hours of any given calendar year to the next calendar year.

14.2 Manager shall accrue sick leave in the same manner as any other employee of the City pursuant to City's Personnel Policy Manual.

## SECTION 15: CIVIC CLUB MEMBERSHIPS

15.1 Manager shall submit to City the names of all civic clubs and organizations of which he wishes to become a member, and which he deems to be beneficial to City, together with a statement of the cost of such memberships. City shall approve those memberships which City, in its sole discretion, determines to be of benefit to City, and City shall pay the cost of membership for Manager in all civic clubs and organizations so approved. Manager shall actively participate in all civic clubs and organizations which are approved and paid for by City.

## SECTION 16: HEALTH INSURANCE

16.1 Manager is eligible to participate in City's health insurance program as any other employee of City.

## SECTION 17: RETIREMENT BENEFITS

17.1 Manager is eligible to participate in any retirement or deferred compensation plans of City as any other eligible City employee.

## SECTION 18: OTHER TERMS AND CONDITIONS

18.1 City shall fix any such other terms and conditions of employment as it may determine from time-to-time, relating to the performance of Manager, including the terms of any probationary status, provided that such terms and conditions are not inconsistent with, or in conflict with, the provisions of this Agreement, the ordinances of City, or any state or federal law, administrative rule, or regulation.

## SECTION 19: GOVERNMENTAL IMMUNITY

19.1 Manager shall enjoy all the protections and immunities of the Colorado Governmental Immunity Act, as those protections and immunities are defined in the Act, in the performance of his official duties within the scope of his employment as City Manager. In addition, Manager shall enjoy the benefits of the Employee Legal Defense Policy codified in the Florence Municipal Code at Chapter 2.52.

## SECTION 20: GENERAL PROVISIONS

20.1 The text of this Agreement, together with any applicable statutes and ordinances and resolutions duly adopted by City shall constitute the entire agreement between the parties. No addition, modification or amendment to this Agreement shall be effective unless in writing, signed by both parties, and making specific reference to this Agreement.

20.2 If any provision of this Agreement or application thereof is held to be invalid, such invalidity shall not affect the other provisions or applications of the Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are declared to be severable.

20.3 As this Agreement is considered to be a personal services contract, neither party may assign this Agreement or any right, obligation or duty arising out of, or associated with, the Agreement.

20.4 This Agreement has been drawn and executed in accordance with the laws of the State of Colorado, and its terms and provisions shall be construed in accordance with the laws of the State of Colorado.

WITNESS OUR HANDS AND SEALS, the day and year first written above.

CITY OF FLORENCE, COLORADO

By: *Ron Kline*  
Mayor

*Michael Balth*  
Manager

ATTEST:

*Doreen Williams*  
City Clerk