

#9

APR 14 2016

EMPLOYMENT AGREEMENT

This document shall constitute the Employment Agreement by and between the City of Chandler, State of Arizona, a municipal corporation, hereinafter called "City", and Marsha Reed, hereinafter called "Employee", who both understand as follows:

WITNESSETH:

WHEREAS, the City desires to employ the services of Employee as City Manager of the City of Chandler, Arizona; and

WHEREAS, it is the desire of the City Council to (1) secure and retain the services of Employee and to provide inducement for Employee to remain in such employment, (2) to act as deterrent against malfeasance or dishonesty for personal gain on the part of the Employee, and (3) to set forth the terms for terminating Employee's services at such time as Employee may be unable fully to discharge Employee's duties or when City may desire to otherwise terminate Employee's employ; and

WHEREAS, Employee desires to accept employment as City Manager of said City;

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

SECTION 1. Duties

City hereby agrees to employ said Marsha Reed as City Manager of said City to perform the functions and duties specified in the City Charter, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign. Employee agrees that while working as City Manager, she will remain in the exclusive employ of the City.

SECTION 2. Nature of Employment

Employee shall serve at the pleasure of the City Council, which means that she or the City can terminate the employment relationship with or without cause at any time.

SECTION 3. Termination and Severance Pay

A. If the City exercises its right to terminate Employee without good cause, the City shall pay Employee a lump sum cash payment equal to six months aggregate salary and deferred compensation plus City's share of medical, dental and life insurance in effect at that time. If on the other hand the City terminates the employment relationship for good cause, Employee will have no entitlement to severance pay. For purposes of this Agreement, "good cause" means intentional misconduct, including but not limited to the commission of a crime, insubordination, or a violation of City Policy. Employee's entitlement to severance pay is subject to the provisions of Section 3B below.

B. Employee's entitlement to severance pay will be contingent upon her entering into a standard agreement with a waiver and release of claims.

C. In the event Employee voluntarily resigns her position with the City at any time, then Employee shall give City sixty (60) days' notice in advance, or such advance notice as may be otherwise mutually agreed upon.

SECTION 4. Salary

City agrees to pay Employee for services rendered pursuant hereto at an annual base of \$213,500.00 payable in installments at the same time as other employees of the City are paid.

SECTION 5. Hours of Work

A. Employee shall work not less than 40 hours per week except when a City holiday occurs or when on a leave approved by the Mayor.

B. In the event Employee is required to work more than 40 hours in a week, Employee shall not be compensated for the additional time.

C. Employee will be allowed to adjust her office hours as she shall deem appropriate so long as she is present each work day and the management of the City is not harmed.

SECTION 6. Dues and Subscriptions

City agrees to budget and to pay the professional dues and subscriptions of Employee necessary for continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for continued professional participation, growth, and advancement, and for the good of the City subject to City's determination as to what is necessary.

SECTION 7. Professional Development

A. City hereby agrees to budget and to pay the 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 and other national, regional, state and local governmental groups and committees thereof which Employee serves as a member, subject to City's determination as to what is necessary.

B. City also agrees to budget and to pay for the travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for professional development and for the good of the City, subject to City's determination as to what is necessary.

C. The Mayor and Council shall be given prior notice of estimated time and expenditures under this Section.

SECTION 8. Other Terms and Conditions of Employment

A. The City Council 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 City Charter, or any other law.

B. All provisions of the City Charter and Code, and Personnel Rules of this City relating to vacation and sick leave, retirement and pension system contributions, medical, dental and vision benefits, holidays, and other fringe benefits and working conditions as they now exist or hereafter may be amended, including state and federal requirements for FICA and income tax, also shall apply to employee as they would to other employees of the City, in addition to said benefits enumerated specifically for the benefit of Employee, except as provided under this Contract.

C. Employee shall be covered under the City Code provisions on defense and indemnification of City employees for acts within the scope of her employment.

D. Employee shall be entitled to annual deferred compensation in an amount equal to seven percent (7%) of Employee's base salary. This amount shall be paid in equal bi-weekly amounts and deposited in the Employee's City-designated deferred compensation account.

E. City shall provide Employee a term life insurance plan in an amount equal to 1.5 times Employee's annual salary, payable to Employee's designated beneficiaries.

F. City shall provide Employee a \$40 per month allowance for the use of the employee's own personal cell phone for City business. This allowance will be paid in biweekly amounts.

G. Vacation and sick leave will accrue in accordance with the City's Personnel Rules.

SECTION 9. Tax Compliance

Employee shall be responsible for compliance with all Internal Revenue Service and State Revenue Service requirements for taxes on any salary or benefits.

SECTION 10. General Provisions

A. The text herein constitutes the entire agreement between parties.

B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee and successors to the City.

C. This Agreement shall become effective April 14, 2016, and the terms set forth herein shall remain in place, subject to Section 2 of this Agreement, through June 30, 2017. Employee and City Council will engage in discussions during the period between June 1, 2017 and July 15, 2017 concerning possible changes to the terms and conditions for any employment after June 30, 2017.

D. If any provisions, or any portion thereof, contained in this agreement are held to be 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.

For the City of Chandler:

By: _____
Mayor Jay Tibshraeny

Date

Employee:

Marsha Reed
Marsha Reed

4/5/16
Date