

Employment Agreement

Introduction

This Agreement, made and entered into this 9th day of March, 2020, by and between the City of Paris, Texas, a municipal corporation, (hereinafter called "Employer") and Grayson Adam Path, (hereinafter called "Employee") an individual who has the education, training and experience in local government management and who, as a member of the International City/County Management Association (ICMA), is subject to the ICMA Code of Ethics, both of whom agree as follows:

Section 1: Term

The term of this agreement shall be for a period of three (3) years from April 27, 2020 to April 26, 2023, provided, however, that the term of this Agreement may be terminated by either party subject to the provisions set forth in Sections 9, 10, or 11 herein. Prior to the expiration of the term of this Agreement, Employer and Employee may mutually agree in writing to renew and extend this Agreement.

Section 2: Duties and Authority

- A. Employer agrees to employ Grayson Adam Path as City Manager to perform the functions and duties specified in the City of Paris charter and/or by ordinance and to perform other legally permissible and proper duties and functions without interference as set forth in Sections 23 and 24 of the City Charter.
- B. Employee is the chief executive officer of the Employer and shall faithfully perform the duties as prescribed in the job description as set forth in the Employer's charter and/or ordinances and as may be lawfully assigned by the Employer and shall comply with all lawful governing body directives, state and federal law, Employer policies, rules and ordinances as they exist or may hereafter be amended.
- C. Specifically, it shall be the duty of the Employee to employ on behalf of the Employer all other employees of the organization, excepting the city attorney and the city judge, consistent with the policies of the governing body and the ordinances and charter of the Employer.
- D. It shall also be the duty of the Employee to direct, assign, reassign and evaluate all of the employees of the Employer consistent with policies, ordinances, charter, state and federal law.
- E. It shall also be the duty of the Employee to organize, reorganize and arrange the staff of the Employer, excepting the city attorney and city judge and to develop and establish internal regulations, rules and procedures which the Employee deems necessary for the efficient and effective operation of the Employer consistent with the lawful directives, city charter, policies, ordinances, state and federal law.
- F. It shall also be the duty of the Employee to accept all resignations of employees of the Employer, excepting the city attorney and city judge, consistent with the policies, ordinances, state and federal law, except the Employee's resignation which must be accepted by the governing body.

- G. The Employee shall perform the duties of City Manager of the Employer with reasonable care, diligence, skill and expertise.
- H. All duties assigned to the Employee by the governing body shall be appropriate to and consistent with the professional role and responsibility of the Employee.
- I. The Employee cannot be reassigned from the position of City Manager to another position without the Employee's express written consent.
- J. The Employee or designee shall attend, and shall be permitted to attend, all meetings of the governing body, both public and closed, with the exception of those closed meetings devoted to the subject of this Agreement, or any amendment thereto or the Employee's evaluation or otherwise consistent with state law.
- K. The governing body, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints and suggestions called to their attention to the Employee for study and/or appropriate action.

Section 3: Compensation

- A. Employer agrees to pay Employee an annual base salary of \$160,000.00, payable in installments at the same time that the other management employees of the Employer are paid.
- B. This agreement shall be automatically amended to reflect any salary adjustments that are provided or required by the Employer's compensation policies to include all salary adjustments on the same basis as applied to the executive classification of employees.
- C. In addition, consideration shall be given on an annual basis to an increase in compensation. Employee acknowledges that Employer is a governmental entity subject to budgetary constraints and a fluctuating tax base. Consequently, Employer agrees to consider increasing the compensation of the Employee dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement, but makes no representation that such salary increases will be granted.
- D. At any time during the term of the Agreement, Employer may, in its discretion, review and adjust the salary of the Employee, but in no event shall the Employee be paid less than the salary set forth in Section 3.A. of the Agreement except by mutual written agreement between Employee and Employer. Such adjustments, if any, shall be made pursuant to a lawful governing body action. In such event, Employer and Employee agree to provide their best efforts and reasonable cooperation to execute a new agreement incorporating the adjusted salary.
- E. Except as otherwise provided in this Agreement, the Employee shall be entitled, at a minimum, to the highest level of benefits enjoyed by and/or available to other employees, department heads or general employees of the Employer as provided by the Employer's policies, Charter, ordinances, or personnel rules and regulations or other practices, provided, however, that to the extent a given benefit is determined by years of service, Employee will receive the highest level of benefit commensurate with his years of service, as provided by the City of Paris

Personnel Policy. Likewise, Employee will be subject to any carry forward limitations imposed by the City of Paris Personnel Policy.

Section 4: Health, Disability and Life Insurance Benefits

- A. The Employer agrees to provide and to pay the budgeted city contribution for health insurance and long term disability insurance for the Employee, at a minimum, equal to that which is provided to all other employees of the City of Paris.
- B. The Employer shall pay the amount of premium due for term life insurance in accordance with that provided to all other employees, during the life of this agreement. The Employee shall name the beneficiary of the life insurance policy.

Section 5: Vacation and Sick Leave

- A. Upon commencing employment, the Employee shall be credited with eighty (80) accrued sick leave hours and eighty (80) accrued vacation leave hours. In addition, beginning the first day of employment, Employee shall accrue sick leave and vacation leave on an annual basis, under the same rules and provisions applicable to other employees.
- B. The Employee is entitled to accrue all unused leave under the same rules and provisions applicable to other employees, and in the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for up to 320 hours of accrued vacation time, and all paid holidays to date.

Section 6: Automobile

The Employer agrees to pay to the Employee, during the term of this Agreement and in addition to other salary and benefits herein provided, the sum of \$7,200.00 per year, payable monthly, as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of said vehicle. The Employer shall reimburse the Employee at the IRS standard mileage rate for any business use of the vehicle beyond Lamar County.

Section 7: Retirement

The Employer agrees to enroll the Employee into the applicable state or local retirement system and to make all the appropriate contributions on the Employee's behalf

Section 8: General Business Expenses

- A. Employer agrees to budget and pay for professional dues, including but not limited to the International City/County Management Association, and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the

Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

- B. Employer agrees to budget and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to 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 in which Employee serves as a member.
- C. Employer also agrees to budget and pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer. Employer must not require Employee to use accrued leave when participating in professional development activities.
- D. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. Such expenses may include meals where Employer business is being discussed or conducted and participation in social events of various organizations when representing the Employer. Such expenditures are subject to annual budget constraints as well as state and Employer ethics and purchasing policies. The finance director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.
- E. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.
- F. Recognizing the importance of constant communication and maximum productivity, Employer shall provide Employee, for business and de minimis personal use, a laptop computer, desktop computer, software, and a mobile phone for use required for the Employee to perform their duties and to maintain communication with Employer's staff and officials as well as other individuals who are doing business with Employer. Upon termination of Employee's employment, the equipment herein must remain the property of the Employer.

Section 9: Termination

- A. For the purpose of this agreement, termination shall occur when:
 - a. Employee is terminated for good cause. For purposes of this Agreement, the term "good cause" is identified as follows:
 - 1. Any willful, knowing, grossly negligent, or negligent breach, habitual neglect of any provisions of this Agreement, or any willful, knowing, grossly negligent, or negligent breach, habitual neglect of any duty or obligation required to be performed by Employee under this Agreement or under the Charter, ordinances and/or policies of Employer and/or state or federal law.

2. Any willful, knowing, or grossly negligent misapplication or misuse, direct or indirect, by Employee of public or other funds or other property, real, personal, or mixed, owned by or entrusted to Employer, any agency or corporation thereof, or the Employer in his official capacity.
- b. The majority of the governing body votes to terminate the Employee in accordance with applicable law at a properly posted and duly authorized public meeting.
 - c. Non-renewal of this Employment Agreement, whether by official action of a majority of the governing body or not, when Employee is willing to renew.
 - d. If the Employer or citizens acts to amend any provisions of the charter pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.
 - e. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this agreement and will be regarded as a termination.
 - f. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of the suggestion.
 - g. Breach of contract declared by either party with a 30 day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 19.
- B. Refusal of Employee to comply with a directive that is in violation of the ICMA Code of Ethics is not cause for termination.

Section 10: Severance

- A. Severance shall be paid to the Employee when employment is terminated as defined in Section 9.
- B. If the Employee is terminated, the Employer shall provide a minimum severance payment equal to nine (9) months' salary at the then current rate of pay. This severance shall be paid in a lump sum.
- C. The Employee shall be compensated for all vacation leave as provided in Section 5.B, and all other accrued leave other than sick leave.
- D. For a period up to nine (9) months following termination, the Employer shall pay the Employee in an amount equal to the monthly Employer budgeted contribution for medical insurance to offset the cost of health insurance pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). Such payments shall cease at the end of nine months or when Employee becomes covered by another insurance group whichever occurs first.

- E. If the Employee is terminated because of a felony conviction or pursuant to Section 9.A.a.2, then the Employer is not obligated to pay severance under this section.

Section 11: Resignation

The Employee may voluntarily resign his position at any time during the term of this agreement. In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of 30 days notice unless Employer and Employee agree otherwise. If the Employee resigns pursuant to the terms set forth in Section 9.A.f., then resignation is not considered voluntary for the purposes of this Section 11.

Section 12: Performance Evaluation

- A. Employer shall annually review the performance of the Employee using the same process used with other appointed employees. The Employer shall provide the Employee with a summary statement of the findings of the Employer and shall provide an adequate opportunity for the Employee to discuss his evaluation with the Employer.
- B. Unless the Employee expressly requests otherwise in writing, the evaluation of the Employee shall at all times be conducted in executive session of the governing body and shall be considered confidential to the extent permitted by law. Employee recognizes that Employer is subject to the Texas Public Information Act and that upon a proper request under that Act, written performance reviews must be released to members of the public. Nothing herein shall prohibit the Employer or Employee from sharing the content of the Employee's evaluation with their respective legal counsel.
- C. In the event the Employer deems the evaluation instrument, format and/or procedure is to be modified by the Employer and such modifications would require new or different performance expectations, then the Employee shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

Section 13: Hours of Work

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule to include reasonable time off as is customary for exempt employees. The schedule shall be appropriate to the needs of the Employer and shall allow Employee to faithfully perform his assigned duties and responsibilities.

Section 14: Ethical Commitments

- A. Employee will at all times uphold the tenets of the ICMA Code of Ethics. Specifically, Employee shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fundraising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time. Employee shall also be subject to the Code of Ethics adopted by the City Council as set forth in the City of Paris Code of Ordinances, Chapter 2, Article IX.
- B. Employer shall support Employee in keeping these commitments by refraining from any order, direction or request that would require Employee to violate the ICMA Code of Ethics. Specifically, neither the governing body

nor any individual member thereof shall request Employee to endorse any candidate, make any financial contribution, sign or circulate any petition, or participate in any fundraising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality and merit.

Section 15: Moving and Relocation Expenses

- A. Employee agrees to establish residence within the corporate boundaries of the local government, if required, within twelve (12) months of employment, and thereafter to maintain residence within the corporate boundaries of the local government.
- B. Employer shall pay Employee an interim housing supplement of \$1,000.00 per month for a period commencing on the Employee's start date and shall continue for a maximum of six (6) months, or until the Employee's existing home is sold, whichever event occurs first.
- C. Employer shall pay directly for the reasonable expenses of moving Employee and his family and personal property from Nebraska City, Nebraska to Paris, Texas, in an amount not to exceed \$15,000.00. Said moving expenses include packing, moving, storage costs, unpacking, and insurance charges, actual lodging and meal expenses for Employee's family in route from Nebraska City, NE to Paris, Texas, and mileage costs for moving personal automobiles to Paris, Texas shall be reimbursed at the current IRS rate. Employee shall attempt to obtain multiple quotes for moving service companies, selecting the most responsible lowest quote for service.

Section 16: Indemnification

- A. Indemnification. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, Employer does hereby agree to defend, hold harmless, and indemnify Employee from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Employee in the Employee's individual or official capacity as an employee and as City Manager, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Employee, as an employee of the Employer, acting within the course and scope of the Employee's employment with the Employer; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that the Employee was acting outside the course and scope of the Employee's employment with the City, committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the Employer or by the Employee. The selection of the Employee's legal counsel shall be with the mutual agreement of the Employee and the Employer if such legal counsel is not also Employer's legal counsel. A legal defense may be provided through insurance coverage, in which case the Employee's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Paragraph exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Paragraph shall survive the termination, expiration or other end of this Agreement and/or the Employee's employment with the Employer.

- B. Employee recognizes that Employer shall have the right to compromise and settle any claim or suit. Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor or consultant to Employer regarding pending litigation.

Section 17: Bonding

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

Section 18: Other Terms and Conditions of Employment

The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City of Paris Charter, local ordinances or any other law.

Section 19: Notices

- A. Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, and addressed as follows:
 - a. EMPLOYER: City of Paris, 135 SE 1st Street, Paris, TX 75460
 - b. EMPLOYEE: Grayson Path, 115 Cherry Circle, Nebraska City, NE 68410
- 1. Pursuant to Section 16.A, Employee will update Employer's records with a new address once obtained.
- B. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 20: General Provisions

- A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and Employee are merged into and rendered null and void by this Agreement. The Employer and Employee by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.
- B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

- C. Effective Date. This Agreement shall become effective on April 27, 2020.
- D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both Employer and Employee subsequent to the expungement or judicial modification of the invalid provision.
- E. Conflicts. In the event of any conflict between the terms, conditions and provisions of this Agreement and the Applicable Laws and Authorities, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over the contrary provisions of the Applicable Laws and Authorities during the term of this Agreement.
- F. This Agreement has been drafted through the collective efforts of each party, and no provision will be construed against either party by virtue of the drafting thereof.
- G. Choice of law. This contract is to be performed in Paris, Lamar County, Texas, and any legal action connected to the terms, performance, construction or termination of same will be brought pursuant to the laws of the State of Texas in a court of competent jurisdiction in Lamar County, Texas.

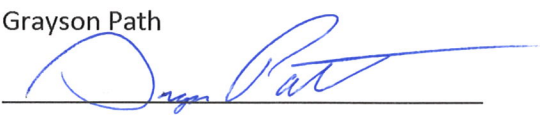
Name of Employer: City of Paris

Signature: _____

By: Steven J. Clifford M.D., Mayor

Executed this the ____ day of _____, 2020.

Name of Employee: Grayson Path

Signature:  _____

Executed this the 5th day of March, 2020.