

City Manager Employment Agreement

This Employment Agreement is entered into between the City of Blaine (hereafter referred to as "City") and Michelle Wolfe (hereafter referred to as "City Manager" or "Employee").

Section 1 - Employment: Michelle Wolfe shall be employed by the City of Blaine as the City Manager commencing on the 16th day of September, 2019.

Section 2 - Duties: The duties of the City Manager position shall be as set forth in the City's Charter and Ordinances, the job description for the City Manager, and such other duties which are consistent therewith as may be assigned from time to time by the City Council.

Section 3 - Discharge of Duties: The City Manager shall be paid a salary as a FLSA exempt professional employee and shall not be paid overtime for hours worked in excess of forty (40) hours per week and similarly shall be able to be absent in consideration of extraordinary time expenditures. The discharge of City Manager duties requires work outside the normal work day for meetings and projects. To that end, the City Manager will work flexible hours as necessary for the City Manager to discharge the duties of her position and may be absent from the office to a reasonable extent during normal work hours in consideration of extraordinary time expenditures at other than normal working hours.

Section 4 - Participation in Employee Benefits:

For purposes of employment benefits such as sick leave, vacation leave, and the like, Employee will be credited with having completed 25 years of employment with the City upon Employee's first day of employment.

- A) Insurance:** The City shall provide medical, dental, life, and disability insurance benefits to the City Manager consistent with that provided to City's non-union employees.
- B) Life Insurance:** Basic life insurance in the amount of \$50,000 will be provided by the City for the City Manager. The City may provide the City Manager an additional \$400,000 group term life insurance policy, the cost of which, if allowed under IRS Code, would be deducted from the City Manager's base compensation and considered to fall within the Governor's Salary Cap.
- C) Vacation:** Effective Employee's first day of employment, Employee shall be credited with eighty (80) hours of vacation leave. The City Manager shall accrue days of vacation on the first day of each month equal to an annual rate of 26 days per year. The City Manager may accrue vacation to a maximum accumulation of 400 hours. The City Manager shall not be required to use vacation leave except for a whole day's absence from performing City Manager's duties.

Upon leaving the City's employ, for whatever reason, the City Manager shall be entitled to payment for all accrued and unused vacation at the City Manager's then current rate of compensation.

- D) Sick Leave:** Effective upon Employee's first day of employment, employee shall be credited with forty (40) hours of sick leave. In addition, employee shall begin accruing sick leave at the same rate as other City's non-union employees, currently four (4) hours per pay period. Accrued sick leave may be carried over from year to year in accordance with City policies with a maximum accumulation of 960 hours. When Employee leaves

employment, Employee shall be paid for accrued sick leave in accordance with City policies.

- E) Holidays:** City Manager shall have the same paid holidays off from work as the City's fulltime non-union employees.
- F) Pension Plan:** Employer shall contribute to PERA as required by State law for the City Manager or an alternate pension plan, if selected by Employee, as authorized by State law.
- G) All Other Benefits:** Except as otherwise specified within this Agreement, the City Manager shall receive and be eligible to participate in any other benefits provided to all fulltime non-union City employees.

Section 5 - Compensation:

- A) Salary:** The City Manager's salary at the commencement of this contract shall be an annual salary of \$175,621. The compensation of the City Manager shall be fixed by the Council.
 - a. **Request for Waiver of Governor's Salary Cap:** In order to provide the City Manager the opportunity to be eligible for reasonable future compensation increases, the Blaine City Council shall formally request a waiver of the Governor's Salary Cap at the next available legislative opportunity. If the waiver is ultimately approved by the State Legislature, the City Manager shall have the opportunity to negotiate with the City Council to potentially restructure her compensation package to increase her salary and/or include other benefits such as a vehicle allowance, higher level of term life insurance, cell phone allowance and/or other benefits that impacted her initial compensation package under the current Governor's Salary Cap. The negotiation period would occur following the completion of a satisfactory Annual Performance Review process following the prospective approval of the waiver request by the State Legislature, with any modifications in the compensation package requiring approval by both the City Council and City Manager.

B) Evaluation and Salary Increases: City Council shall evaluate the performance of the City Manager after six (6) months following initial appointment. This initial evaluation will not accompany any adjustments to base compensation, and will include a written summary of findings. Upon attainment of successful evaluation six months thereafter, (at the end of the City Manager's initial year of employment), the City Council shall evaluate/review the performance of the City Manager, subject to a process, form, criteria, and format which shall be mutually agreed upon by the City Manager and City Council. The City Manager shall be eligible for a base compensation adjustment upon attainment of successful evaluation.

Annually thereafter, the City Council and City Manager shall define the goals and objectives which they determine are necessary for the proper operation of the City, establish a priority among these goals, considering time and budgetary limitations, and place these goals and objectives in writing. A performance evaluation based on the attainment of the City's goals and objectives will occur with any base compensation adjustment to be dependent upon the results of the evaluation and consistent with approved Annual City Budget appropriations. City Council shall provide the City Manager with a written summary of findings and provide an opportunity for the City Manager to discuss her evaluation with the City Council.

C) Professional Development: The City shall pay 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 functions for the City, including, but not limited to, the Annual Conference of International City Management Association, the League of Minnesota Cities, and such other national, regional, state and local governmental groups and committees thereof on which Employee serves as a member, as approved by the City Council and in accordance with existing City policies.

E) Moving and Relocation Expenses: City Manager shall secure three quotes from qualified moving companies for the packing, transportation, and off-loading of her household from Aurora, Colorado to her new residence within the corporate boundaries of Blaine, Minnesota, with the City to issue a purchase order to the responder of the lowest of the three quotes. The City Manager shall also be reimbursed for mileage and related meals, lodging, etc. as part of her relocation to Blaine. Additional relocation costs shall include reimbursement for up to two (2) house hunting trips for the City Manager and her spouse, (including associated expenses for airfare, meals, rental car, etc.), up to four (4) months temporary housing costs (if needed) to include rent and utilities, and the shipping of required materials to Blaine if the City Manager ultimately needs to relocate prior to moving her entire household to the City of Blaine. The City Manager agrees to establish and maintain her permanent domicile within the corporate boundaries within six (6) months of commencing employment. Recognizing the potential challenges in selling a home in Colorado, the parties agree to consider an extension to the six-month deadline if the City Manager encounters difficulty in selling her current residence in Aurora, Colorado. All moving expenses for which the City reimburses the City Manager shall be in accordance with the IRS Code and further detailed in IRS publication 521. Payment shall be made upon receipt by the City of documentation that the expenses have been incurred.

Section 6 - Expenses Incurred in Performing Duties: The City shall reimburse or directly pay for actual expenses reasonably incurred by the City Manager that are directly related to performing City Manager's duties. The parties contemplate that the City Manager will incur expenses for travel, attendance at meetings, etc. The City Manager will be reimbursed for business use of the City Manager's personal car at the current IRS rate.

Section 7 - Discontinuance of Employment Relationship: The City Manager shall be removable by the City Council at will subject only to the limitations imposed by the City Charter, City Code, and/or State Statute.

A) Notice: The City Manager shall give the City ninety (90) days' notice prior to discontinuing City Manager's employment, where there has been no event constituting an involuntary separation as hereinafter set forth. If City Manager voluntarily resigns City Manager's position with Employer, there shall be no payment due to the City Manager under Section 7, subdivision C, Payment Upon Involuntary Separation.

B) Definitions: For purposes of this Agreement the term "involuntary separation" shall mean a formal request adopted at a public meeting by the City Council that the City Manager resign, an action adopted by the City Council terminating this Agreement without the written consent of the City Manager, or an action adopted by the City Council acknowledging that all parties have agreed to termination of this Agreement and have further agreed to consider the termination an "involuntary separation" for purposes of Section 7. The term "involuntary

separation" shall also mean the resignation of the City Manager within thirty (30) days of the effective occurrence of any of the following:

- (i) If the City, at any time, reduces the salary or other financial benefits of Employee in a greater percentage than in an across-the-board reduction for all City management employees;
- (ii) If Employee resigns following the suggestion, whether formal or informal, made by four (4) of the seven (7) members of the City Council that the Employee resign;
- (iii) If the City refuses, following written notice, to comply with the other provisions of this Agreement benefiting or affecting Employee.

C) Payment Upon Involuntary Separation: In the event of an involuntary separation, the City Manager shall be entitled to the following:

- i) Payment of all accrued vacation time at its full value at the City Manager's current rate of pay and accrued sick leave in accordance with City policies and the terms as set forth in the Post Employment Health Care Savings Plan, as applicable.
- ii) Payment by the City of the full cost of insurance benefits, at the current level of coverage in effect just prior to the involuntary separation for a period of six (6) months from the date such involuntary separation becomes effective or until such time as the City Manager commences subsequent employment, whichever term is less. In addition, the City Manager shall be entitled, at the City Manager's own cost to continue participation in the City's group insurance plans for at least eighteen (18) months after the City is no longer required to make full payment of premiums for City Manager's insurance coverage, provided the City's group insurance plan authorizes such continued participation.
- iii) **Severance Payment:** The City Manager shall receive as severance benefits a lump sum payment equivalent to six (6) months' salary computed at the City Manager's gross annual wages.
- iv) **Termination for Cause:** If the City Manager is terminated by the City Council for cause, the City shall have no obligation to provide payments and/or benefits as listed in the above sections. For matters regarding this agreement, "Cause" means gross misconduct, conviction of a felony, or conviction for an illegal act involving personal gain to Employee.

D) Payment Upon Voluntary Termination: Upon the City Manager's voluntary termination of employment, she shall be entitled to full payment, paid in the pay period following his voluntary termination, of:

- i) Payment of all accrued vacation time at its full value at the City Manager's current rate of pay and accrued sick leave in accordance with City policies and the terms as set forth in the Post Employment Health Care Savings Plan, as applicable.
- ii) Payment of all wages for days worked since the last payroll period prior to separation.

E) Non-waiver: Nothing herein shall be deemed a waiver of any rights or claims that either party may have in the normal course of the separation of the City Manager from the City's employ.

Section 8 - Civic Club Membership: The City recognizes the desirability of the City Manager's participation in local civic and other community organizations. Payment for the dues and other expenses thereof by the City must be approved in advance by the City Council. However, nothing herein shall prohibit the City Manager from joining such civic or other organizations at his own expense.

Section 9 - Term: This Agreement shall be for an indefinite term until terminated by one or both of the parties as set forth in this Agreement.

Section 10 - Indemnification: The City shall defend and indemnify the City Manager pursuant to and according to the terms and conditions of Minnesota Statutes 466.07 and 465.76.

Section 11 - Other Terms and Conditions of Employment: The City Council may fix, from time to time, such other terms of employment provided such terms are not inconsistent with or in conflict with the provisions of this Agreement, or any other law.

Section 12 - General Provisions:

A) Effective Date: This agreement shall become effective upon adoption by the City Council.

B) Accrual Date: Accrual of pay and benefits will commence on the date the City Manager assumes her duties.

C) Merger: This Agreement supersedes all prior oral or written communications between the parties.

D) Entire Agreement: The text herein shall constitute the entire agreement between the parties with respect to the employment relationship between the City and the City Manager and the parties agree that there were no inducements or representations leading to the execution of this Agreement except as herein contained.

E) Severability: In case any one or more of the provisions of this Agreement shall be deemed to be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

F) Governing Law: This Agreement will be construed and interpreted in accordance with the laws of the State of Minnesota.

G) Counterparts: This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Wherefore the parties have executed this Agreement consisting of seven (7) pages including the signature page, on the dates set forth below:

Michelle Wolfe
Michelle Wolfe, City Manager

Dated: July 8, 2019

Subscribed and sworn to before me this

8 day of July, 2019

Natalia Campbell
Notary Public



CITY OF BLAINE:

Tom Ryan, Mayor

Dated: _____, 2019

Subscribed and sworn to before me this

____ day of _____, 2019

Notary Public

CITY OF BLAINE:

Cathy Sorensen, City Clerk

Dated: _____, 2019

Subscribed and sworn to before me this

____ day of _____, 2019

Notary Public