

**CITY OF CHANDLER
CITY MANAGER EMPLOYMENT AGREEMENT**

THIS AGREEMENT is made and entered by and between the CITY OF CHANDLER (the "City"), an Arizona municipal corporation, by its Mayor, and JOHN M. POMBIER (the "Employee"), (the City and the Employee may individually be referred to as the "Party" and collectively referred to as the "Parties") on this _____ day of _____, 2025 (Effective Date).

RECITALS

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

WHEREAS, the City Council desires to secure and retain the services of the Employee, to set forth the terms and conditions of employment, and to establish provisions for the termination of the Employee's services in the event the Employee is unable to fully discharge the duties of the position or in the event the City elects to otherwise terminate the Employee's employment; and

WHEREAS, Employee desires to accept employment as the City Manager of the 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 the Employee as City Manager of the City to perform the functions and duties of the City Manager specified in the City Charter and City Code and to perform such other legally permissible and proper duties and functions as the City Council shall from time-to-time assign. The Employee shall be guided by and uphold the principles of the ICMA Code of Ethics in the performance of such duties.

SECTION 2. Term and Exclusivity of Employment

A. This term of the Agreement shall commence on December 1, 2025, and continue through June 30, 2027, unless sooner terminated as provided herein.

B. The Employee agrees to remain in the exclusive employ of the City until termination of this Agreement and shall not accept or engage in employment with any other employer during the term of this Agreement.

SECTION 3. Termination and Severance

A. Employee serves at the pleasure of the City Council as provided in the Chandler City Charter and nothing herein shall be taken to prevent, limit or otherwise interfere with the right of the City to terminate the services of Employee with or without

cause at any time. There is no express or implied promise made to Employee of any form of continued employment.

- B. For purposes of this Agreement, involuntary termination shall occur when:
1. The majority of the City Council votes to terminate Employee's employment at a properly posted and duly authorized meeting of the City Council.
 2. Employee resigns at the request of the City Council, whether formal or informal. Employee may declare an involuntary termination as of the date of the request.
 3. The City Council gives Employee notice at least 60 days before the end of the Agreement that it will not offer a follow-on Agreement upon expiration of the current contract term. The Employee's termination shall be effective as of the end of the contract term unless an earlier terminate date is mutually agreed upon by the parties.
- C. If Employee is involuntarily terminated for other than good cause by the City Council, including when the Agreement is allowed to expire without a follow-on Agreement, while Employee is still willing and able to perform the duties required under this Agreement, the City agrees to provide one of the following severance packages, which must be elected by Employee no later than five (5) business days after Employee's receipt of the notice of termination or decision not to renew the Agreement, or Employee's involuntary Resignation. Once selected, Employee's severance package may not be changed.

Option 1:

- A single lump sum severance payment in an amount equivalent to nine (9) months' aggregate salary at the then-current rate of pay, deferred compensation thereon, and the value of one hundred percent (100%) of Employee's accrued vacation leave and fifty percent (50%) of accrued sick leave.
- The City's share of life insurance coverage for nine (9) months.

Option 2:

- Continuing pay and benefits for up to twelve (12) months or until Employee commences retirement or obtains other full-time employment and benefits coverage through a group health insurance plan from the Employee's new employer, whichever occurs sooner, as follows:

- Pay and deposits of deferred compensation based on Employee's then-current salary paid every two weeks concurrently with the regular City payroll.
- The continuation of City benefits based on Employee's elections at the time of termination.
- A lump sum payment of the value of one hundred percent (100%) of Employee's accrued vacation leave and fifty percent (50%) of accrued sick leave to be made at the time of Employee's final check.

D. Payments made by the City under either severance package will release the City from any further obligations under this Agreement. Before the delivery of any severance payment under either option set out above, Employee agrees to execute and deliver to the City a waiver and general release releasing the City from all claims that Employee may have against City, in a form mutually acceptable to the Parties.

E. The City shall not be obligated to pay, and shall not pay, any severance payments under the provisions of paragraph 3.C, if the Employee is terminated for good cause as defined in paragraph 3.F. below. Further, the City shall not be obligated to pay, and shall not pay, any severance amount under the provisions of paragraph 3.C., in the event Employee voluntarily resigns without affirmative action by City to terminate, initiate termination proceedings, or request Employee's resignation.

F. *Good Cause.* For purposes of this Agreement, the term "good cause" is defined as, but not limited to, the following:

1. Any willful, knowing, grossly negligent, or negligent breach, disregard, or habitual neglect of any provision of this Agreement, or any willful, knowing, grossly negligent, or negligent breach, disregard, or habitual neglect of any duty or obligation required to be performed by Employee under this Agreement or under the Charter and ordinances of the City and/or the laws of the United States or the State of Arizona.
2. Incompetence in the performance of the Employee's duties as documented by evaluations, memoranda, or other written communication from the City; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the City has provided Employee notice and a reasonable opportunity to remediate any incompetency.
3. Any misconduct of the Employee involving an act of moral turpitude, criminal illegality (excepting minor traffic violations), or habitual violations of the traffic laws, whether or not related to the Employee's official duties hereunder.

4. Any violation by the Employee of a statute or law constituting misconduct in office.
5. Any conduct by employee that violates any law, rule, or policy prohibiting discrimination, harassment, or retaliation.
6. Any conduct that would constitute a material violation of City rules, regulations, or policies.
7. Any willful, knowing, grossly negligent, or 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 the City, or Employee in his/her official capacity.
8. Knowingly falsifying records or documents related to the City's activities.
9. Knowing misrepresentation of material facts to the Mayor and City Council or other City officials in the conduct of the City's business.
10. Insubordination or failure to comply with lawful directives of the Mayor and City Council unless compliance with such directive would violate the law or any ethical code or rules applicable to the Employee.
11. The unlawful use or abuse of drugs, hallucinogens, alcohol, or other substances regulated by federal or state law.
12. The suspension or loss of any professional license required to perform the duties of the position.
13. Any other reason constituting "good cause" under Arizona law.

G. Resignation. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Employee to resign at any time from his/her position or to retire from public service. If the Employee voluntarily resigns their position or retires prior to the expiration of the term of this Agreement, Employee shall give the City at least sixty (60) days' advance notice, or such advance notice as may be otherwise mutually agreed upon. In the case of a voluntary resignation or retirement, no severance package will be provided to Employee.

SECTION 4. Salary

A. The City agrees to pay the Employee for the services rendered pursuant to this Agreement an annual salary of \$375,000 (Three Hundred Seventy-Five Thousand Dollars),

less applicable deductions and withholdings required by law, payable at the same intervals and in the same manner as compensation is paid to regular City employees.

B. Salary adjustments and merit increases approved for regular, unrepresented employees during the term of the Agreement shall not apply to Employee.

C. Performance and Salary Review. The City and the Employee agree that after 6 months from the commencement date of this Agreement, the Parties shall conduct a review of the Employee's performance and compensation. The review shall be scheduled no later than thirty (30) days following the 6-month anniversary date. This review may result in renegotiation of the Employee's salary based on performance, market conditions, and other relevant factors. Any adjustment to salary shall be documented in writing and signed by both parties.

SECTION 5. Hours of Work

A. The Employee is exempt under the Fair Labor Standards Act (FLSA) and shall work no fewer than 40 hours per week except when a City holiday occurs or when on a sick leave or other 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. The Employee may adjust their office hours as deemed appropriate, provided Employee is present each workday and the management of the City is not adversely affected.

SECTION 6. Professional Dues and Subscriptions

The City shall budget for and pay the professional dues and subscription costs necessary for the Employee's continued membership and full participation in national, regional, state, and local professional associations and organizations that are deemed necessary or desirable for the Employee's ongoing professional development, growth, and advancement, and which serve the best interests of the City, subject to the City's determination of necessity.

SECTION 7. Professional Development

A. Professional and Travel Expenses. The City shall budget for and pay the reasonable travel and subsistence expenses incurred by the Employee for professional and official travel, meetings, conferences, and other events necessary to support the Employee's continued professional development and to enable the Employee to effectively participate in official duties, including service on national, regional, state, and local governmental boards, committees, or organizations, subject to the City's determination of necessity.

B. Education and Training Expenses. The City shall budget for and pay 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 the City's determination of necessity.

C. Advance Notice. The Employee shall provide reasonable prior notice to the Mayor and Council of the estimated time and anticipated expenditures under this Section.

SECTION 8. Other Terms and Conditions of Employment

A. Authority to Modify Employment Terms. 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. City Benefits and Working Conditions. All provisions of the City Charter, City Code, and the City's Personnel Rules and Regulations that relate to vacation and sick leave, holidays, other fringe benefits (excluding medical, dental, and vision benefits), and working conditions, as currently in effect or as may be amended in the future, shall apply to the Employee as they apply to other City employees. These provisions shall apply in addition to any benefits specifically provided to the Employee under the Agreement, unless otherwise stated herein.

C. Defense and Indemnification. The Employee shall be covered under the City Code provisions on defense and indemnification of City employees for acts within the scope of Employee's employment.

D. Deferred Compensation. The Employee shall be entitled to deferred compensation in an amount equal to nine percent (9%) of Employee's base salary. This amount shall be paid in equal biweekly installments and deposited into Employee's City-designated 401(a) account. If the amount paid to the Employee in deferred compensation exceeds the maximum contribution limit for 401(a) plans for the tax year, any amounts in excess of the annual limit shall be paid into an investment vehicle of the Employee's election.

E. Life Insurance. The City shall provide the Employee with a term life insurance plan in an amount equal to 1.5 times the Employee's annualized salary, payable to Employee's designated beneficiaries.

F. City-Provided Cell Phone. The City shall provide the Employee with a cell phone and necessary service plan for use in connection with City business. The cell phone shall remain the property of the City and must be returned upon termination of employment or upon request. The Employee is expected to use the cell phone primarily for official City business and comply with any applicable City policies regarding its use. The Employee acknowledges that all communications and data on the City-provided cell phone are subject

to public records laws and may be subject to disclosure in accordance with such laws. While the City respects the Employee's privacy, the Employee should have no expectation of privacy regarding any information transmitted, received, or stored on the City-provided device.

G. State Retirement System. The Employee voluntarily declined to resume active membership in the Arizona State Retirement System (ASRS).

H. Front-loaded Leave, Leave Accruals, and Payouts.

1. Accrual: The Employee will accrue vacation and sick leave in accordance with the City Personnel Rules.

2. Vacation Leave. Upon commencement of this Agreement, the Employee shall receive a one-time grant of 120 hours of vacation leave, which shall be credited to the Employee's leave bank and made available for immediate use.

3. Sick leave Payout.

a. Upon separation from City service, the Employee shall be entitled to compensation for accrued sick leave in accordance with the provisions applicable to the payment of accrued sick leave for regular employees upon retirement.

b. If the Employee dies while in City service, the Employee's designated beneficiaries shall be entitled to compensation for any accrued sick leave, in accordance with the City Personnel Rules.

I. Relocation and Related Expenses

1. The Employee agrees to relocate their primary residence within the boundaries of the City of Chandler within six (6) months of the effective date of this Agreement. Failure to meet this requirement within the specified timeframe will result in the termination of the Agreement for good cause unless an extension for good cause is approved in writing by the Mayor.

2. Moving Cost Reimbursement. The City agrees to reimburse the Employee for Actual Moving Costs incurred in connection with relocation to the City. "Actual Moving Costs" means reasonable and necessary expenses directly incurred by the Employee in relocating their household goods and personal effects to the City, and are limited to the following:

(a) Professional moving company services, including packing loading, transportation, unloading, and unpacking;

- (b) Rental of moving trucks or trailers, if self-moving;
- (c) Packing materials and supplies; and
- (d) Temporary storage fees for a period not to exceed thirty (30) days.

Total reimbursement for Actual Moving Costs shall not exceed \$20,000 (Twenty Thousand Dollars) and shall be made within 30 days of the City's receipt and approval of complete and accurate documentation of actual expenses and payment.

3. Deadline for Submission. All requests for reimbursement must be submitted by the Employee within sixty (60) days of the completion of the move.

4. Taxes. Any reimbursement made pursuant to this provision will be treated as taxable income to the Employee to the extent required by applicable law. The City agrees to "gross up" the reimbursement amount to offset the Employee's resulting tax liability, such that the Employee receives the full intended reimbursement amount net of applicable taxes. The City shall withhold and report all applicable federal and state taxes in connection with such reimbursement.

5. Repayment. If the Employee voluntarily terminates employment or is terminated for cause within 12 months following the date of reimbursement of Actual Moving Costs and/or closing costs, the Employee shall repay to the City the full amount of any reimbursement made under this provision, including any related tax gross-up, within thirty (30) days of the effective date of such termination.

SECTION 9. Tax Compliance.

The Employee shall be responsible for compliance with all Internal Revenue Service and Arizona Department of Revenue tax requirements related to any salary or benefits received under this Agreement.

SECTION 10. General Provisions

A. Entire Agreement. This document constitutes the final and complete agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, whether written or oral.

B. Amendment. Any amendment or modification of this Agreement shall be effective only if made in writing and signed by both parties.

C. Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Employee's heirs, legal representatives, successors, and assigns, and the successors and assigns of the City.

D. Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of the Agreement.

E. Severability. If any provisions, or any portion thereof, contained in this Agreement are held to be unconstitutional, invalid, or unenforceable, the remainder of the Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

FOR THE CITY

FOR THE EMPLOYEE

By: _____
MAYOR

By: _____
JOHN M. POMBIER

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

By: _____
City Clerk