

City Manager or Administrator Employment Agreement, LMC Model Contract

League models are thoughtfully developed by our staff for a city's consideration. Models should be customized as appropriate for an individual city's circumstances in consultation with the city's attorney. Helpful background information on this model may be found in "[Hiring a City Manager or Administrator Toolkit](#)"



This icon marks places where the city must customize the model. They offer additional provisions, optional language, or comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.

City of _____, Minnesota Employment Agreement

AGREEMENT made this _____ day of _____, 20_____, by and between the CITY OF _____, a Minnesota municipal corporation ("Employer"), and _____ ("Employee").

The parties agree as follows:

1. **POSITION.** Employer agrees to employ Employee as its City Manager. Employee agrees to serve as City Manager in accordance with state statutes, City ordinances and the Code of Ethics of the International and Minnesota City/County Management Associations, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.



You may substitute "City Administrator" for "City Manager", if applicable to your city, throughout this employment agreement.

2. **MOVING AND RELOCATION ALLOWANCE.** Employer shall reimburse Employee an amount not to exceed \$_____ for moving his/her household goods and an amount not to exceed \$_____ for house hunting expenses such as travel expenses, temporary lodging, and meals. Payment shall be made upon receipt by the City of documentation that the expenses have been incurred and deemed reasonable.

3. **PENSION PLAN.** Employer shall contribute to PERA as required by State law for Employee or an alternate pension plan, if selected by Employee, authorized by State law.

4. **SALARY.** Employer shall pay Employee a salary of \$_____ per year starting _____. Employer and Employee agree that an initial performance review will be conducted on Employee after six (6) months and annually thereafter. The Employer agrees to consider an

increase in compensation to the Employee dependent upon the results of the performance evaluation.

5. **SENIORITY.** For purposes of employment benefits such as sick leave, vacation leave, and the like, Employee will be credited with having completed _____ years of employment with the City upon his/her first day of employment.

6. **SICK LEAVE.** Effective upon Employee's first day of employment, Employee shall be credited with _____ days of accrued sick leave. In addition, Employee shall accrue sick leave in accordance with the City's personnel policies.

7. **VACATIONS.** Effective upon Employee's first day of employment, Employee shall be credited with _____ days of accrued vacation leave. In addition, Employee shall accrue vacation leave in accordance with the City's personnel policies.

8. **HOLIDAYS.** Employer shall provide Employee the same holidays as enjoyed by other non-union employees.

9. **GENERAL INSURANCE.** Employer shall provide Employee the same group hospital, medical, dental, life and disability insurance benefits as provided to all other non-union employees.

10. **DUES AND SUBSCRIPTIONS.** Employer shall budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional participation, growth and advancement.

11. **PROFESSIONAL DEVELOPMENT.** Employer shall budget and pay necessary and reasonable registration, 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 committees thereof which Employee serves as a member. Employee shall use good judgment in his/her outside activities so he/she will not neglect his primary duties to the Employer.



For Sections 10 and 11, employer and employee may wish to agree to list specific organizations whose dues and professional development opportunities will be covered – i.e. International City/County Management Association, Minnesota City/County Management Association, League of Minnesota Cities. The list would not be exclusive;

other organizations or training opportunities that might arise would be covered under the general "reasonable" language.)

12. **CIVIC CLUB MEMBERSHIP.** Employer recognizes the desirability of representation in and before local civic and other organizations. Employee is authorized to become a member of such civic clubs or organizations as deemed appropriate by Employee and Employer; and at Employer's expense.

13. **AUTOMOBILE.** Employee shall be paid a monthly allowance of \$_____ for use of his/her personal automobile for Employer business.

14. **GENERAL EXPENSES.** Employer shall reimburse Employee reasonable miscellaneous job-related expenses which it is anticipated Employee will incur from time to time when provided appropriate documentation.

15. **HOURS OF WORK.** It is understood the position of City Manager requires attendance at evening meetings and occasionally at weekend meetings. It is understood by Employee that additional compensation and compensatory time shall not be allowed for such additional expenditures of time. It is further understood that Employee may absent himself/herself from the office to a reasonable extent in consideration of extraordinary time expenditures for evening and weekend meetings at other than normal working hours.

16. **TERMINATION BENEFITS.** In the event Employee is terminated by the Employer during such time that Employee is willing and able to perform the duties of City Manager, then in that event, Employer agrees to pay Employee at the time of receipt of his/her last paycheck a lump sum cash payment equal to _____ months aggregate salary and to continue to provide and pay for the benefits set forth in paragraph 9 for a period of _____ following termination. However, in the event Employee is terminated because of his/her malfeasance in office, gross misconduct, conviction for a felony, or conviction for an illegal act involving personal gain to Employee, then Employer shall have no obligation to pay the termination benefits.

If Employer at any time during the employment term reduces the salary or other financial benefits of Employee in a greater percentage than across-the-board reduction for all non-union employees, or if Employer refuses, following written notice, to comply with any other provisions of this Agreement benefiting Employee or Employee resigns following a formal suggestion by Employer that he/she resign, then Employee may, at his option, be deemed to be "terminated" on the effective date of Employee's resignation and the Employee shall also be entitled to receive the termination benefits set forth above.

If Employee voluntarily resigns his/her position with Employer, Employee agrees to give the Employer thirty (30) days advance notice. If Employee voluntarily resigns his/her position with Employer, there shall be no termination pay due to Employee.

17. **GENERAL CONDITIONS OF EMPLOYMENT.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, for any reason, subject only to the provisions of this Agreement and statutory requirements. Furthermore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his/her position with Employer, subject only to the provisions of this Agreement.

IN WITNESS WHEREOF, Employer has caused this Agreement to be signed and executed on its behalf by its Mayor and _____, and Employee has signed this Agreement, in duplicate, the day and year first written above.

EMPLOYER:
CITY OF _____

EMPLOYEE:

BY: _____
Its Mayor

AND

Its