

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this day of September 17, 2007, by and between the CITY OF RAMSEY, State of Minnesota, a municipal corporation, hereinafter called "the CITY," as party of the first part, and Kurtis Ulrich, hereinafter called "EMPLOYEE" as party of the second part, both of whom understand the following:

WITNESSETH:

WHEREAS, the City desires to employ the services of said EMPLOYEE as city administrator of the CITY OF RAMSEY, as provided by Chapter Six of the City Charter; and

WHEREAS, it is the desire of the CITY'S governing body, hereinafter called "COUNCIL," to provide certain benefits, to establish certain conditions of employment, and to set working conditions of said EMPLOYEE; and

WHEREAS, EMPLOYEE desires to accept employment with the CITY; and

WHEREAS, the parties acknowledge that EMPLOYEE is a member of the International City/County Management Association (ICMA) and that EMPLOYEE is subject to the ICMA Code of Ethics;

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

- 1. Position.** The CITY agrees to employ EMPLOYEE as its city administrator. EMPLOYEE agrees to serve as city administrator 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 Council shall from time to time assign.
- 2. Duration.** EMPLOYEE agrees to commence employment with the CITY on September 17, 2007. The term of this agreement shall continue until EMPLOYEE resigns his position or is terminated as provided herein.

Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the CITY to terminate the services of EMPLOYEE at any time, subject only to the provisions set forth in Section 19 of this agreement

Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the EMPLOYEE to resign at any time from his position with CITY, subject only to the provisions set forth in Section 17 of this agreement.

3. **Duties.** CITY hereby agrees to employ Kurtis Ulrich as its city administrator to perform the functions and duties specified in Chapter Six of the CITY OF RAMSEY charter and the CITY OF RAMSEY code of ordinances and to perform other legally permissible and proper duties and functions as the Council shall from time to time assign.
4. **Hours of Work.** It is recognized that EMPLOYEE must devote a great deal of time outside the normal office hours to the business of the CITY, and to that end EMPLOYEE will be allowed to flex his schedule as he shall deem appropriate during said normal office hours.
5. **Outside Activities.** EMPLOYEE shall spend no more than 10 hours per week in teaching, consulting or on other non-CITY-connected business during normal CITY business hours without the prior approval of the COUNCIL. Any such activities shall not be commenced without prior notification of COUNCIL.
6. **Performance Evaluation.** EMPLOYER and EMPLOYEE agree that a performance review will be conducted on EMPLOYEE six (6) months after hire, one (1) year after hire, and annually thereafter. Said review shall be in accordance with specific criteria developed jointly by CITY and EMPLOYEE. Said criteria may be added to or deleted from as the COUNCIL may from time to time determine, in consultation with the EMPLOYEE. Further, the CITY'S Mayor shall provide the EMPLOYEE with a summary written statement of the findings of the COUNCIL and provide an adequate opportunity for the EMPLOYEE to discuss his evaluation with the COUNCIL.

Annually, the COUNCIL and EMPLOYEE shall define such goals and performance objectives that they determine necessary for the proper operation of the CITY and for the attainment of the COUNCIL'S policy objectives and shall further establish a relative priority among those various goals and objectives to be reduced to writing. The goals and objectives shall generally be attainable within the time limitations specified and within the annual operating and capital budgets and appropriations provided.

In effecting the provisions of this Section, the COUNCIL and EMPLOYEE mutually agree to abide by the provisions of applicable law.

7. **Salary.** EMPLOYER shall pay EMPLOYEE a salary of \$110,400 per year starting September 17, 2007. The annual salary shall be prorated based on the CITY'S payroll schedule.

The COUNCIL shall conduct an annual 360 degree performance review of EMPLOYEE. Upon said performance review, the City Council may, in its sole discretion, review the terms of this agreement and increase EMPLOYEE'S salary and/or benefits.

- 8. Vacation.** Effective upon EMPLOYEE 's first day of employment, EMPLOYEE shall be credited with 10 days of accrued vacation leave. In addition, EMPLOYEE shall accrue vacation days at a rate of 4.62 hours per pay period (or 15 days annually). At the time of the EMPLOYEE'S one year performance review, pending satisfactory performance, the COUNCIL may consider an adjustment to EMPLOYEE'S vacation accruals. EMPLOYEE shall be allowed to accrue up to two times the EMPLOYEE'S annual vacation accrual.
- 9. Sick Leave.** Effective upon EMPLOYEE 's first day of employment, EMPLOYEE shall be credited with 12 days of accrued sick leave. In addition, EMPLOYEE shall accrue sick leave in accordance with the city's personnel policies.
- 10. Health, Dental, Life and Disability Insurance.** For 2007, EMPLOYER shall provide the EMPLOYEE with a monthly contribution toward group health insurance totaling \$879.00. In future years, the EMPLOYEE will receive the same percentage increase to the EMPLOYER's monthly contribution as received by other non-union employees and approved by the city council. EMPLOYER shall provide EMPLOYEE the same dental, life and disability insurance benefits as provided to all other non-union employees.
- 11. Pension Plans.** The CITY shall contribute to PERA or an alternate pension plan, if selected by the EMPLOYEE, as required and authorized by State law.
- 12. Supplemental Deferred Compensation.** As per MN Statute 356.24, subd.1 (5), EMPLOYER will match the EMPLOYEE'S deferred compensation contribution up to \$2,000. Contributions will be directed to the Minnesota State Deferred Compensation plan.
- 13. Expenses.** EMPLOYEE shall be eligible for reimbursement of actual expenses incurred while conducting business on behalf of the CITY on the same basis as other EMPLOYEES of the CITY. In addition, EMPLOYEE shall be paid \$500 per month for use of his personal automobile for EMPLOYER BUSINESS WITHIN THE State of Minnesota. If EMPLOYEE uses his own automobile for EMPLOYER business outside the State, then EMPLOYER shall reimburse EMPLOYEE for business use of his personal automobile on a per mile basis and at a rate equal to what EMPLOYER reimburses all other employees for business use of a personal automobile.
- 14. 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. Dues and subscriptions include, but are not limited to, the International City/County Management Association (ICMA), the Minnesota City/County Management Association (MCMA) and the Ramsey Rotary Club.

- 15. Professional Development.** The 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.

Professional Development includes, but is not limited to, annual attendance at the ICMA national conference, the State MCMA conference, and the League of Minnesota Cities annual conference. The EMPLOYEE may engage in other professional development training activities as per the city's personnel policy and contingent upon the availability of resources. Coursework covered by the city's Tuition Reimbursement policy must be approved by the city council prior to course registration. EMPLOYEE shall use good judgment in his outside activities so he will not neglect his primary duties to the EMPLOYER.

- 16. Indemnification.** The CITY shall defend and indemnify EMPLOYEE pursuant to Minnesota Statutes 466.07 and 465.76. In addition, the CITY shall defend, hold harmless, and indemnify EMPLOYEE from all alleged violations of torts; statutes, laws, rules, and ordinances, provided the EMPLOYEE was acting in the performance of the duties of the position.
- 17. Resignation.** In the event EMPLOYEE voluntarily resigns his position with the CITY, then EMPLOYEE shall give the CITY a 45-day prior written notice.
- 18. Suspension.** The CITY may suspend the EMPLOYEE with full pay and benefits at any time while this agreement is in effect, but only if
- (1) a majority of the COUNCIL and the EMPLOYEE agree, or
 - (2) after a public hearing, a majority of the COUNCIL votes to suspend

EMPLOYEE for just cause provided, however, that EMPLOYEE shall have been given written notice setting forth the charges at least 10 days prior to the public hearing.

- 19. Termination and Severance Pay.** The CITY at any time may terminate this agreement with or without cause. In the event EMPLOYEE is terminated by the COUNCIL during such time that EMPLOYEE is willing and able to perform his duties under this agreement, then in that event the CITY agrees to pay EMPLOYEE his then current salary and benefits for a period of three months. At the time of the EMPLOYEE'S one year performance review, pending satisfactory performance, the COUNCIL may consider an adjustment to EMPLOYEE'S severance pay. In the event the CITY must pay three months of

severance, the EMPLOYEE will not be entitled to accrue additional vacation, sick leave or holidays during the period that severance is paid.

In the event EMPLOYEE is terminated because of 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 severance benefits.

Upon the effective date of the EMPLOYEE's termination, under all circumstances the EMPLOYEE shall also be compensated for all earned sick leave and vacation and any other accrued benefits per the city's Personnel Policy.

In the event the CITY at any time during the term of this agreement reduces the salary or other financial benefits of EMPLOYEE by a greater percentage than an applicable across-the-board reduction for all employees of the CITY, or in the event the CITY refuses, following written notice, to comply with any other provision benefiting EMPLOYEE herein, or the EMPLOYEE resigns following a suggestion by a majority of the COUNCIL that he resign, then, in that event EMPLOYEE may, at his option, be deemed to be "terminated" at the date of such reduction or such refusal to comply within the meaning and context of the herein severance pay provision.

- 20. Other Terms and Conditions of Employment.** The COUNCIL, in consultation with the EMPLOYEE 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 OF RAMSEY charter or any other applicable law.

In addition to the benefits enumerated specifically herein for the benefit of EMPLOYEE, all provisions of the CITY OF RAMSEY charter and code, and regulations and rules of the CITY relating to vacation and sick leave, retirement and pension system contributions, holidays, and other benefits and working conditions as they now exist or hereafter may be amended, also shall apply to EMPLOYEE as they would to other employees of CITY, in addition to said benefits enumerated specifically for the benefit of EMPLOYEE except as herein provided.

- 21. General Provisions.** The text herein shall constitute the entire agreement between the parties. This agreement shall become effective commencing September 17, 2007, and shall continue until EMPLOYEE resigns his position or is terminated as provided herein.

If any provisions, or any portion thereof, contained in this agreement is held 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.

IN WITNESS WHEREOF, the CITY OF RAMSEY has caused this agreement to be signed and executed in its behalf by its Mayor, and duly attested by its City Attorney, and the EMPLOYEE has signed and executed this agreement, both in duplicate, the day and year first above written.

Thomas G. Gamec, Mayor
CITY OF RAMSEY

State of Minnesota

ATTEST:

William K. Goodrich, City Attorney

(Seal)

Kurtis Ulrich, EMPLOYEE