

## **EMPLOYMENT AGREEMENT**

The effective date of this Agreement is the 7th day of December, 2016 between The City of San Luis, Arizona, ("City"), a municipal corporation of the State of Arizona, 1090 Union Street, San Luis, Arizona, and Tadeo Azael De La Hoya, ("City Manager").

### **SECTION I TERM AND NATURE OF EMPLOYMENT**

The City Manager shall enter into the employment of the City as the City Manager of the City of San Luis, Arizona beginning on the 7th day of December, 2016. The Agreement shall remain in full force and effect until terminated as provided in Section V of this Agreement.

### **SECTION II DEVOTION OF FULL TIME TO BUSINESS**

The City Manager shall devote the whole of his time, attention, and energies to the performance of his duties as the City Manager of the City of San Luis, Arizona, and shall not, either directly or indirectly, alone or in partnership, be connected with or concerned in any other employment, business or pursuit during the term of employment unless expressly approved by the City Council of the City of San Luis, Arizona.

### **SECTION III DUTIES**

The City Manager shall, subject to the direction and control of the City Council of the City of San Luis, take entire charge of the administration of the City and perform the duties of the office of City Manager as set forth in the Ordinances and Code of the City of San Luis, Arizona as well as the functions and duties specified in the applicable Arizona Statutes, including but not limited to ARS §9-303. The City Manager shall serve the City diligently and according to his best professional and personal abilities in all respects, and generally do all things for the best interests of the City that is usually done by persons occupying his position as the chief administrative officer of a political subdivision.

### **SECTION IV RATE OF COMPENSATION; OTHER TERMS AND CONDITIONS**

A. The salary of the City Manager shall be an annual base salary of \$100,653.00 payable biweekly effective as of December 7, 2016. The City Manager shall accrue vacation and sick time as all other city employees.

B. The City Council may review, evaluate, and complete the evaluation of the performance of the City Manager from time to time during the term of this Agreement. The structure and timing of such review and evaluation, as well as any adjustment in base salary or other compensation, shall be in the sole discretion of the City Council. The City Council shall not at any time during this contract reduce the salary,

compensation, or other benefits for City Manager without the mutual consent of City Manager.

C. The City Council agrees to budget and pay for the professional dues and subscriptions of the City Manager as the City Council deems necessary for his continuation and participation in national, regional, state and local associations and organizations necessary for his continued professional participation, growth and advancement, and for the good of the City. The City Council agrees to budget and to pay for the travel and subsistence expenses of City Manager to annually attend the National Conference of the International City Managers Association and other short courses, institutes, seminars, and conferences as the City Council deems appropriate and that is necessary for his professional development and for the good of the City. The City Council likewise agrees to budget for the payment of dues and subscriptions deemed to be job related and in the best interests of the City.

D. Unless otherwise stated herein, City Manager shall be entitled to all other employment benefits provided for employees of the City which are not specifically mentioned herein, including, but not limited to, health insurance and participation in an employee retirement system and any cost of living adjustments made to employee compensation.

E. City Manager shall, during his employment with the City, have the use of an automobile provided to him by the City. The City shall be responsible for paying liability, property damage and comprehensive insurance and for the purchase, operation, maintenance, repair and regular replacement of said automobile. In the event City Manager uses his personal vehicle for travel with respect to City business he shall be compensated for mileage in accordance with the policies of the City then in effect.

F. It is recognized by the City Council that City Manager must devote the time necessary to his duties involving both normal office hours and time outside these hours. The taking of personal time off should be in line with this premise, and rests in the discretion of City Manager.

G. Indemnification – The City agrees to defend, save harmless and indemnify City Manager against any tort, professional liability claim or demand, or other civil legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of his duties as City Manager for the City, even if said claim has been made following his termination from employment, provided that the City Manager acted within the scope of his duties. The City may compromise and settle any such claim or suit and will pay the amount of any settlement or litigation costs, incidental expenses, and judgments rendered thereon without recourse to the City Manager.

H. Bonding – The City shall bear the full cost of any fidelity or other bonds required of the City Manager under any law or ordinance in the scope for the City Manager's employment.

I. Severability and Headings – Each provision of this Agreement stands alone and any provision of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.

J. Education – It is agreed and understood that City Manager will pursue and obtain his Bachelor’s degree by December 31, 2018 unless otherwise agreed by the parties.

## **SECTION V TERMINATION OF EMPLOYMENT**

A. Termination by the City without Cause – Upon the giving of at least thirty (30) days written notice to City Manager, unless the parties agree on another time period; the City Council may terminate this Agreement at any time for any reason other than For Cause (For Cause as defined below in Section V Subsection D).

B. Termination by the City Manager – Upon the giving of at least thirty (30) days written notice to the Mayor and City Council, unless the parties agree on another time period; the City Manager may resign from his employment at any time. In the event of resignation under this section, the City Manager shall not be entitled to severance pay.

C. Termination by the City “For Cause” – Upon delivery of written notice to the City Manager of termination For Cause (For Cause as defined below in Section V Subsection D), the City may terminate the City Manager. In the event of termination For Cause (For Cause as defined in Section V Subsection D), the City Manager shall not be entitled to severance pay.

D. “For Cause” is defined as conviction or plea of guilty or plea of *no lo contendere* relating to any felony or a class one misdemeanor, a crime of moral turpitude, a material breach of any provision of this agreement, or an act of fraud, deception, misrepresentation, or active concealment of material facts.

E. Upon termination or resignation in addition to any other rights to compensation or benefits to which City Manager may have under this Agreement or law, City Manager shall be paid his accumulated vacation time and sick time based upon the rate of salary as of the date of termination.

F. Severance Pay - If the City terminates the City Manager without cause or if the City Manager resigns following an offer to accept resignation by City as a representative of the majority of the City Council, the City Manager shall be entitled to A severance payment equal to six (6) months’ salary at the rate of pay at the time of termination. City Council reserves the right to suspend any severance payment pursuant to this subsection during any proceedings while felony or class one misdemeanor charges are pending.

**SECTION VI  
CONTRACT TERMS TO BE EXCLUSIVE**

This written Agreement contains the sole and entire Agreement between the parties and shall supersede any and all other agreements between the parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Agreement nor any representations inducing its execution and delivery except such representations as are specifically set forth in this writing and the parties acknowledge that they have relied on their own judgment in entering into the same. The parties further acknowledge that any statements or representations that may have been made by either of them to the other are void and of no effect and that neither of them has relied on such statements or representations in connection with its dealings with the other.

**SECTION VII  
WAIVER OR MODIFICATION INEFFECTIVE  
UNLESS IN WRITING**

It is agreed that no waiver or modification of this Agreement or of any covenant, condition, or limitation contained in it shall be valid unless it is in writing and duly executed by the party to be charged with it, and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party under it, unless such waiver or modification is in writing, duly executed as above. The parties agree that the provisions of this paragraph may not be waived except by a duly executed writing.

**SECTION VIII  
NOTICES AND REQUESTS**

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered to the Party at the address below (i) by personal service (ii) by registered or certified U.S. Mail with return receipt requested, or (iii) by a recognized and reputable overnight delivery service

If to the City:	City of San Luis Attention Mayor 1090 E. Union Street P.O. Box 1170 (If by U.S. Mail) San Luis, Arizona 85349 With Copy at the Same Address to the City Attorney
If to the City Manager	Tadeo Azael De La Hoya 1090 E. Union Street P.O. Box 1170 (If by U.S. Mail) San Luis, Arizona 85349

Or at such other address, and to the attention of such other person or officer as any Party may designate in writing by notice duly given pursuant to this Subsection.

**SECTION IX  
CONTRACT GOVERNED BY LAW OF  
STATE OF ARIZONA**

A. The parties agree that it is their intention and covenant that this Agreement and performance under it and all suits and special proceedings relating to it be construed in accordance with and under and pursuant to the laws of the State of Arizona and that in any action, special proceeding, or other proceeding that may be brought arising out of, in connection with, or by reason of this Agreement, the laws of the State of Arizona shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any action or special proceeding may be instituted.

B. In the event that the City adopts as a policy a program of settling employment claims or suits by binding arbitration, and adopts a form of agreement for new employees to sign during the course of this Agreement, City Manager agrees to sign said agreement and be bound by the same.

C. This Agreement shall be subject to the cancellation provisions of A.R.S. §38-511.

In witness whereof, the City of San Luis, Arizona has caused this Agreement to be signed and executed on its behalf by the Mayor and duly attested to by its Clerk, and Tadeo Azael De La Hoya, City Manager, has signed and executed this Agreement on this \_\_\_\_\_ day of December 2016.

\_\_\_\_\_  
Tadeo Azael De La Hoya, City Manager

\_\_\_\_\_  
Gerardo Sanchez, City Mayor

Attest:

\_\_\_\_\_  
Sonia Cornelio, City Clerk

Approved as to form:

\_\_\_\_\_  
Kay Macuil, City Attorney