EMPLOYMENT AGREEMENT FOR EMPLOYMENT AS CITY MANAGER FOR THE CITY OF GATESVILLE, TEXAS

This Agreement for Employment as CITY MANAGER ("Agreement") is made and entered into by and between the City of Gatesville, Texas, a municipal corporation ("City"), and Bradford W. Hunt ("Hunt") to establish and set the terms and conditions of the employment of Hunt as the CITY MANAGER of the City.

WITNESSETH:

WHEREAS, the City desires to employ the services of Bradford William Hunt as City Manager of the City of Gatesville, Texas; and

WHEREAS, the Mayor of the City and Hunt believe that employment agreements negotiated between Mayors, as representatives of City Council, and City Managers are mutually beneficial to the City organization, the City Manager, and the community they serve; and

WHEREAS, it is the desire of the City to provide certain benefits, establish certain conditions of employment, and to set working conditions of Hunt as provided in this Agreement; and

WHEREAS, the Mayor and Hunt believe it is important to thoughtfully consider guidelines that will be consistent with both the letter and the spirit of State law, and to the extent applicable, the City's ordinances and personnel policies, that will uphold the principle of serving at the will of the Mayor and City Council, that will clearly define and incorporate the benefits to the community and organization, and that will address the protection of Hunt through provisions that are reasonable in nature and scope when compared to professional practices and local/regional market conditions and appropriately funded within the City's budget; and

WHEREAS, Hunt desires to continue employment as City Manager of said City of Gatesville, Texas, subject to the terms, conditions and provisions agreed to and set forth in this Agreement; and

WHEREAS, this Agreement will take full force and effect as of September 5, 2024.

NOW, THEREFORE, in consideration of the mutual covenants of Hunt continuing the position of City Manager for the City and other good and valuable consideration, the City and Hunt agree as follows:

Section 1. Duties: City Manager. The City hereby employs Hunt as the City Manager to perform the duties and functions specified in the City Manager Position Description and other related duties as assigned by the City Council consistent with the intent of this Agreement.

Section 2. Term of Agreement; At Will Employment. The term of this Agreement is for a period of thirty-six (36) months (the "Initial Term") beginning on September 5, 2024, (the "Commencement Date"). Hunt shall serve at the will and pleasure of the Mayor and Council, and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Mayor and Council, or Hunt, to terminate the services of Hunt, subject to the terms of Section 14 of this Agreement. At any time during the Initial Term of this Agreement, the parties may agree in writing to extend the Agreement

The City shall give notice to Hunt at least six (6) months before the expiration of the Initial Term of its intent to extend or not extend the Agreement beyond the Initial Term. If notice is not provided at least six (6) months before the expiration of the Agreement, then the Agreement will automatically renew for a two (2) year term ("Renewal Term"). If the City gives notice of its intent not to extend the Initial Term, this Agreement will terminate at the time the Initial Term expires. If this Agreement automatically renews into a Renewal Term, this Agreement will terminate at the time that the Renewal Term expires

Section 3. Salary. The City agrees to pay Hunt an annual base salary, which salary shall be one hundred thirty-seven dollars (\$137,000) payable in installments at the same time as other employees of the City are paid for the term of this Agreement. Hunt is eligible to receive annual salary increases for cost-of-living adjustments to the same extent and at the same level as received by department heads and performance as determined by the Mayor and Council. In the event the City Council provides any other new benefit to city employees, Hunt shall also receive such benefit in the same manner.

Section 4. Performance Evaluation. The Mayor and Council shall review and evaluate the performance of Hunt at their own discretion and at least once annually.

Section 5. Disability, Retirement and Longevity Benefits. Hunt shall be covered and governed by the same disability and retirement system as are all other City employees and receive similar benefits thereunder. Retirement contributions shall be paid as required by the retirement system's plan documents.

Section 6. Health and Other Insurance. Hunt shall continue to be covered by the same health, dental and vision plans as all other employees, or such plans that are available through City and selected by Hunt.

Section 7. Automobile. Hunt's duties require exclusive and unrestricted use of a vehicle. The City will provide a monthly vehicle allowance in the amount of seven hundred dollars (\$700) for Hunt as long as he maintains a permanent residence in compliance of Section 11.

Section 8. Leave Benefits. All provisions of the City's policies, rules and regulations and applicable fringe benefits, leave, personnel issues and working conditions as they now exist or hereafter may be amended, shall apply to Hunt as they apply to all other employees of the City; in addition to the benefits enumerated specifically in this Agreement for the benefit of Hunt herein; provided that vacation, sick leave, and all other benefits which vary according to tenure shall be calculated and granted to Hunt in accordance with the City's regulations using the original employment date of Hunt, which is February 3, 2023.

City shall provide Hunt with a bank of at least eighty (80) hours of vacation leave on the Commencement Date of the agreement. Hunt shall then earn and accumulate the maximum allowable vacation and sick leave under the city's personnel policies.

Hunt may retain and carry forward vacation leave that has accumulated but has not been used the same as all other City employees. Upon separation from the City any unused vacation time which was earned will be paid to Hunt.

Section 9. Dues and Subscriptions. The City agrees, at its discretion, to budget and to pay for the professional dues and subscriptions of Hunt reasonably necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the City.

Section 10. Professional Development. The City agrees, at its discretion, to budget and pay for the reasonable travel and subsistence for professional and official travel, meetings and occasions adequate to continue the professional development of Hunt and to adequately pursue necessary official and other functions for Hunt. The City further agrees to budget for and pay for the travel and subsistence expenses for Hunt for short courses, institutes and seminars that are necessary for his professional development and for the good of the City and as reasonably necessary and budget limitations. The City reserves the right to limit such attendance in the event of budget limitations or other priorities it identifies if in the best interests of the City.

Section 11. Permanent Residency. Hunt will maintain a residence within a fifteen (15) minute response of the city limits for the Initial Term and any Renewal Term of this Agreement.

Section 12. Insurance. The City is a member of the Texas Municipal League Intergovernmental Risk Pool and agrees to maintain such existing insurance coverage or equivalent for the purpose of insurance coverage for City officials acting within the scope of their employment with the City. Nothing in this section shall be construed as limiting the City's authority to reduce the insurance coverage of all City Officials equally based on budgetary or other reasonable considerations.

Section 13. Hours of Work. The Council recognizes that Hunt is expected to engage in the hours of work that are necessary to fulfill the obligations of the City Manager position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the City. Hunt acknowledges the proper performance of the duties of the City Manager of the City will require Hunt to generally observe normal business hours and will also often require the performance of necessary services outside of normal business hours.

Hunt agrees to devote such additional time as is necessary for the full and proper performance of his duties and that the compensation herein provided includes compensation for the performance of all such services.

However, the City intends that reasonable time off be permitted Hunt, such as is customary for exempt employees so long as the time off does not interfere with the normal job responsibilities of the City Manager.

Section 14. Termination and Resignation. The parties agree Hunt serves at the will and pleasure of the Mayor and Council, and the Mayor and Council may terminate this Agreement and Hunt's employment with the City of Gatesville subject to the terms and conditions of this Section.

- A. <u>Termination Without Cause</u>. If Hunt is terminated without cause after the execution of this Agreement and Hunt is then willing and able to perform all of the duties of the City Manager under this Agreement, then, in that event, the City shall provide severance pay to Hunt a sum equal to nine (9) months base salary plus benefits, plus the value of all vacation and sick leave accrued by, or credited to, Hunt, with such payment to be paid out within ten (10) business days of the date of termination, unless otherwise arbitrated or agreed upon in writing. In the event that severance pay is paid to Hunt, Hunt must agree to contemporaneously execute and deliver to the City a full release of any and all claims that he may have against the City. The failure to execute and deliver such release shall nullify any obligation by City to pay severance.
- B. <u>Termination for Cause</u>. In the event Hunt's employment is terminated for cause by the City Council at any time after this Agreement is executed, the City shall have no obligation to pay any severance or other benefit payments. "For cause" shall mean termination upon: (i) the breach of Section 16 of this Agreement by Hunt; (ii) embezzlement, fraud, theft, or dishonesty, or a commission of a crime involving fraud or deception; (iii) breach of fiduciary responsibilities, misfeasance, malfeasance, or gross negligence of Hunt in the performance or non-performance of his duties; (iv) or violations of the City Charter.
- C. <u>Suspensions</u>. City may suspend Hunt pursuant to this paragraph C only. Any suspension of Hunt inconsistent with the terms of this paragraph C shall be considered a termination within the meaning and context of paragraph A above.

Upon the presentment of a written complaint to Hunt by the Mayor alleging (i) the breach of Section 16 of this Agreement by Hunt; (ii) embezzlement, fraud, theft, or dishonesty, or a commission of a crime involving fraud or deception; (iii) misfeasance, malfeasance, or gross negligence of Hunt in the performance or non-performance of his duties; (iv) violations of any City Charter; or (v) violations of the City's personnel policies, then the Mayor may, but is not obligated to, suspend Hunt with pay for purposes of investigating the allegations presented.

The Mayor may suspend Hunt with or without pay upon a finding of (i) the breach of Section 16 of this Agreement by Hunt; (ii) embezzlement, fraud, theft, or dishonesty, or a commission of a crime involving fraud or deception; (iii) misfeasance, malfeasance, or gross negligence of Hunt in the performance or non-performance of his duties; (iv) violations of any City Charter; or (v) violations of the City's personnel policies.

D. <u>Voluntary Resignation</u>. If Hunt terminates this Agreement by voluntary resignation of the position of City Manager, Hunt shall give the Mayor and Council no less than 30 days' notice in writing in advance unless the Mayor and Council agree otherwise. In the event Hunt voluntarily resigns the position of City Manager, the City shall have no obligation to pay Hunt any amount provided for under this Section. If Hunt retires from full time public service with the City, Hunt

shall provide six (6) months' advance notice. In the event Hunt dies while employed by the City this Agreement, Hunt's beneficiaries or those entitled to Hunt's estate shall be entitled to Hunt's earned salary, and any accrued vacation and sick leave.

E. Reduction of Salary and Benefits. In the event Council at any time during the term of this Agreement reduces the salary, compensation, or other financial benefits of Hunt in a greater percentage than an applicable across the board reduction of all other employees of the City, in that event, Hunt may, at his option, be deemed to be "terminated without cause" at the date of such reduction within the meaning and context of Section 14.A. herein.

Section 15. Cellular Phone. The City shall provide Hunt at his request with a mobile telephone for both professional and personal use in accordance with any City policies regarding City provided cell phones.

Section 16. Conflict of Interest. As the City Manager, Hunt agrees not to violate any applicable state or local conflict of interest and anti-nepotism laws, ordinances or policies.

During the Term(s) of this Agreement, Hunt shall not, either individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits or the extraterritorial jurisdiction of the City, except for stock ownership in a company whose capital stock is publicly held and regularly traded on any stock exchange, without the prior written approval of the Mayor and Council. For and during the Term of the Agreement, Hunt shall, except for a personal residence or residential property acquired or held for future use as Hunt's personal residence, not invest in any other real estate or property improvements within the City, without the prior written consent of the Mayor and Council.

Section 17. Indemnification. To the extent it may be permitted to do so by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the City does hereby agree to defend, hold harmless, and indemnify Hunt from any and all demands, claims, suits, actions, and judgments, including but not limited to expenses and attorneys' fees incurred in any legal proceedings, brought against Hunt in Hunt's individual or official capacity as an employee and as City Manager, providing the incident(s) which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Hunt, as an employee of the City, acting within the course and scope of Hunt's employment with the City; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Hunt committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the City or by Hunt. The selection of Hunt's legal counsel shall be with the mutual agreement of Hunt and the City if such legal counsel is not also City's legal counsel. A legal defense may be provided through insurance coverage, in which case Hunt's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section shall

survive the termination, expiration or other end of this Agreement and/or Hunt's employment with the City.

Section 18. Appropriations. The Mayor and Council agree to appropriate available and unappropriated funds of the City in an amount sufficient to fund and pay all financial obligations of the City pursuant to this Agreement, including, but not limited to, the severance pay, salary and benefits set forth and described herein.

Section 19. Notices. Notices pursuant to this Agreement shall be given in-person as follows:

EMPLOYER:

Gary Chumley, Mayor

EMPLOYEE:

Bradford William Hunt, City Manager

Notice shall be deemed given as of the date of personal service.

Section 20. General Provisions.

A. <u>Section Headings</u>. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

- B. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas. This Agreement is performable in Coryell County, Texas, and venue shall lie exclusively in Coryell County, Texas.
- C. <u>Severability</u>. In the event any one or more of the sections, provisions or clauses contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.
- D. <u>Entire Agreement</u>. This Agreement incorporates all the agreements, covenants and understandings between the City and Hunt concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No other prior agreements or understandings, verbal or otherwise, of the parties or their agents, shall be valid or enforceable unless embodied in this Agreement.
- E. <u>Amendment</u>. This Agreement shall not be modified or amended except by approval of the Mayor and Council and executed written instrument by Hunt and the Mayor on behalf of the City.
- F. Effective Date. This Agreement shall be and become in full force and effect as of the Commencement Date above, and the execution and delivery hereof by the authorized officer of the City and Hunt.

G. <u>Counterparts</u>. This Agreement may be executed in duplicate original counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one in the same instrument.

IN WITNESS WHEREOF, the date this Agreement is made between the two parties, Hunt and the City, as of the date first written above.

Gary Chumley

Mayor, City of Gatesville

Bradford Hunt

ATTEST:

City Manager, City of Gatesville

ATTEST:

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